



Financial Results

for the Fiscal Year Ended March 31, 2022

May 2022

PROPERTY AGENT, Inc.

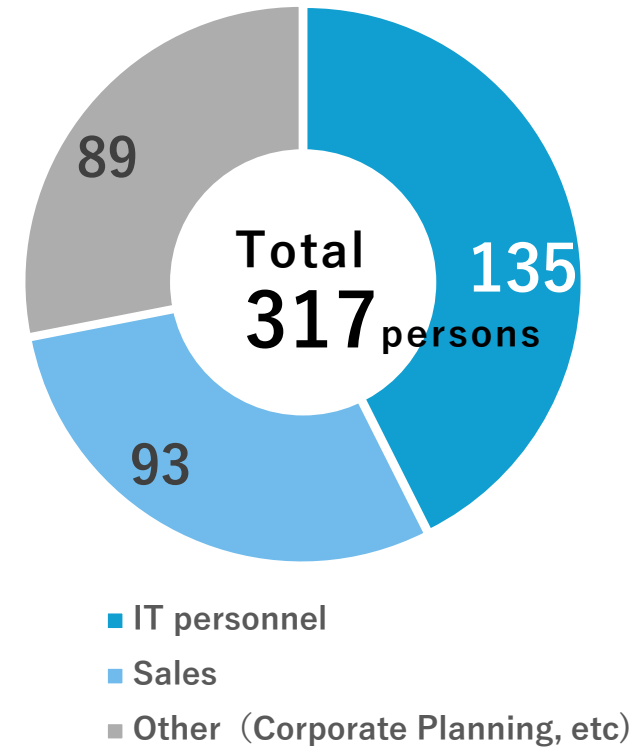
(Securities Code: 3464)

Company	PROPERTY AGENT, Inc.	Businesses	DX Real Estate Business
Headquarters	41F Shinjuku I-Land Tower, 6-5-1 Nishishinjuku, Shinjuku-Ku, Tokyo, Japan		DX Promotion Business
Representative	Sei Nakanishi President and Representative Director	Major group companies	DXYZ Co.,Ltd. Avant Corporation. Berners Inc.
Incorporation date	February 2004		
Share capital	616,119 thousand yen		
Directors and employees	317 persons (consolidated basis/as of March 31, 2022/including non-full-time employees)		

The rate of IT personnel such as engineers is high at approximately 43%.

The number of IT personnel such as engineers to promote DX is 135 persons. IT development capabilities are our strength that supports our business model.

Group-wide job composition



Introduction of our team of directors with extensive backgrounds in the IT industry



Avant Corporation. Representative Director, CEO
Masachika Suzuki

Founder of Avant Corporation, whose businesses are system consulting, service planning and provision, and system development, utilizing the knowledge of the IT industry he learned while studying in the United States. He has been leading a group of IT professionals with outstanding technical skills for more than 10 years.



Avant Corporation. Director, CEO
Hideyuki Kinoh

He has promoted the development of property distribution systems for real estate management as the head of the Web Solution Development Department since the early days of IT. He has extensive experiences in web solutions and system management, mainly in the real estate industry, for many listed companies, and has extensive knowledge in the ReTech field. In 2020, he joined Avant Corporation. and he was appointed as Director and COO.



Berners Inc. Sales Headquarter Executive officer
Teppei Sasaki

After graduating from El Camino College in California, he began his career in human resources sales. After working in sales in the flash marketing area, he joined SunBridge Inc. in 2016. After his experiences in product sales and solution sales, he was appointed as a Sales manager in 2018, CRO in 2020. He joined Berners Inc. in 2022 and has been with the company ever since.



Berners Inc. Cloud Integration Headquarter, Executive officer
Yuri Naka

After graduating from Meiji University, School of Science and Technology, Department of Applied Chemistry. Engaged in SI projects ranging from core system development to cloud solutions, which is mainly Salesforce. After consulting on CRM implementation and defining business requirements to implementation in various industries, he worked on organizational management and promotion as a head of the development department at Uhuru Corporation.



DXYZ Co., Ltd. President and Director
Shintaro Kimura

After graduating from Keio University, Faculty of Law, Department of Law. He joined the ICT Business Division of Mitsui & Co., Ltd. where he was engaged in investing in U.S. and Israeli cyber security companies and developing services in Japan. He was then temporarily transferred to Mitsui Electronics Inc., where he worked on PM for the launch of DX services for the logistics industry, and in April 2021, he was appointed as President and Director of DXYZ Co., Ltd.



PROPERTY AGENT Inc. Corporate Planning Department,
General Manager
Takashi Sato

In 1997, he joined Softbank Corp. and worked mainly in security solutions. He engaged in O2O construction, planning and construction of online business models, and experienced various projects such as Pepper Web reservation system and PayPay launch, etc. He joined PROPERTY AGENT Inc. in 2019 and participated in the launch of Rimple, which is a real estate crowdfunding. Currently he is leading In-house DX promotion.

Overview of Financial Results for the fiscal year ended March 31, 2022

- We achieved **19 consecutive fiscal years of net sales and profit growth** since foundation.
- The number of DX Real Estate Members **exceeded 150,000**, net sales grew by **28% year-on-year**, with an increase by more than 7 billion yen.
- DX Promotion Business recorded net sales of **more than 800 million yen**.
- The number of units under management, which is the basis for stock revenues, and in the number of active DX support project steadily increased.

Net sales

35,186 million yen

Operating profit

2,208 million yen

DX Real Estate Members

151,931 persons

Number of units of sales
of real estate

1,037 units

Units for rent
under management

3,683 units

Units of the building
under management

4,286 units

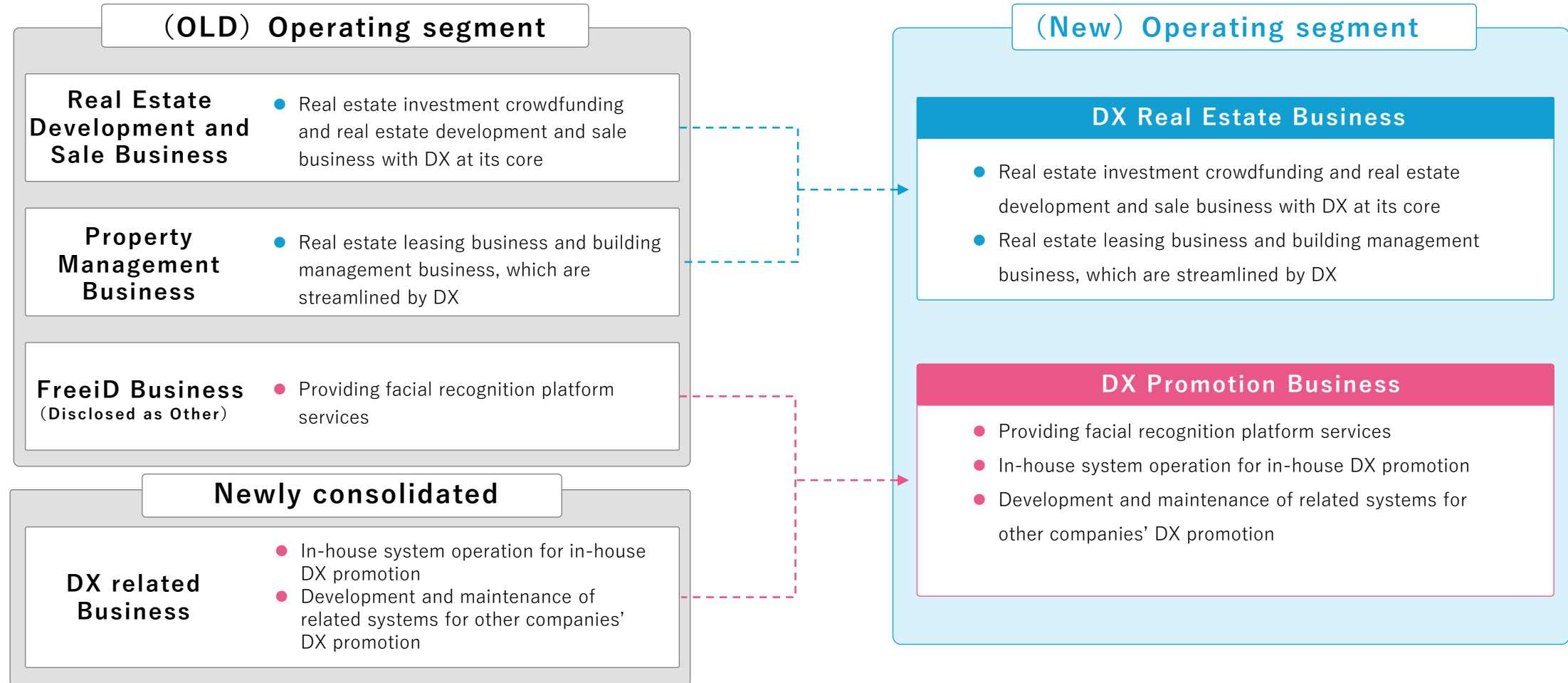
Number of
active SI projects

106 units

※As of the end of March 2022

(1) The number of active SI projects refers to the number of active DX support projects in the DX promotion business.

Notification of changes in Operating Segment



Horizontal expansion of know-how accumulated in DX Real Estate Business in DX Promotion Business

DX Real Estate Business

Real Estate Development and Sale Business, Smart Second Business, Property Management Business

Crowdfunding Business



- **Supporting clients' asset formation through the sale, purchase, lease, and management of real estate**
 - Productivity enhancement by attracting customers through web marketing and in-house DX such as AI assessment and SFA optimization
 - A comprehensive leasing management system with high customer satisfaction, including tenant management and consultation on the sale of properties.
- **Activation of investors and effective use of assets through small-lot real estate investment using DX technology**
 - Crowdfunding system operation
 - Real Estate Coin operation that allows points from other companies to be invested within RIMPLE

DX Promotion Business

DX Support/Other business



FreeiD Business



- **Tailor-made DX support for various industries**
 - System consulting using AI machine learning and image recognition technology
 - Development of a system to promote the efficiency of sales operations and increase the number of business negotiations in the real estate industry through IT-based explanations of important matters and electronic contracts, etc.
 - DX support for various industries other than the real estate industry
- **Providing smart city solutions through the development of facial recognition platform services**
 - Development of "FreeiD", a facial recognition ID platform service
 - Social contributions such as keyless entry for condominiums and business offices, enhanced security for unstaffed stores and daycare centers, etc.

Financial results overview

Financial Performance Highlights

(Millions of yen)	FY2020	FY2021	Change	Change%
Net sales	27,523	35,186	+7,662	+27.8%
Operating profit	2,093	2,208	+115	+5.5%
Ordinary profit	1,790	1,918	+127	+7.1%
Profit attributable to owners of parent	1,170	1,217	+46	+4.0%

BS Highlights

(Millions of yen)	FY2020	FY2021	Change	Change%
Total assets	27,961	31,982	+4,020	+14.4%
Cash and deposits	5,191	7,908	+2,716	+52.3%
Inventories	21,133	21,955	+821	+3.9%
Interest-bearing liabilities	16,939	20,058	+3,118	+18.4%
Net assets	7,150	8,220	+1,070	+15.0%

Business overview

DX Real Estate Business Segment PL

As a result of continuous membership acquisition, the number of DX Real Estate Members has increased to **over 150,000**.

Net sales grew by **more than 25%** year-on-year due to expanded product offering to meet diverse needs.

Productivity enhancements from in-house DX promotion also contributed to segment profit **growth of 3%**.

We aim to achieve net sales of 100 billion yen in this business, which will continue to be a pillar of our group's revenues.

DX Real Estate Segment total				
(Millions of yen)	FY2020	FY2021	Change	Change%
Net sales	27,523	34,462	+6,938	+25.2%
Segment profit	3,488	3,600	+112	+3.2%

Deployment of DX real estate platform adapted to customer needs

We have deployed platforms tailored to customer needs, including the real estate investment crowdfunding "Rimple" and the real estate investment information site "Real Estate Investment Times."

Service operations tailored to social conditions and customer needs



- Investments can be made from 10,000 yen per unit.
- Operation of real estate coins that can utilize points from other companies

不動産投資Times

プロが伝える資産運用のイマ！

- Over 300 columns have been delivered.
- Real estate investment professionals support as dedicated advisors.

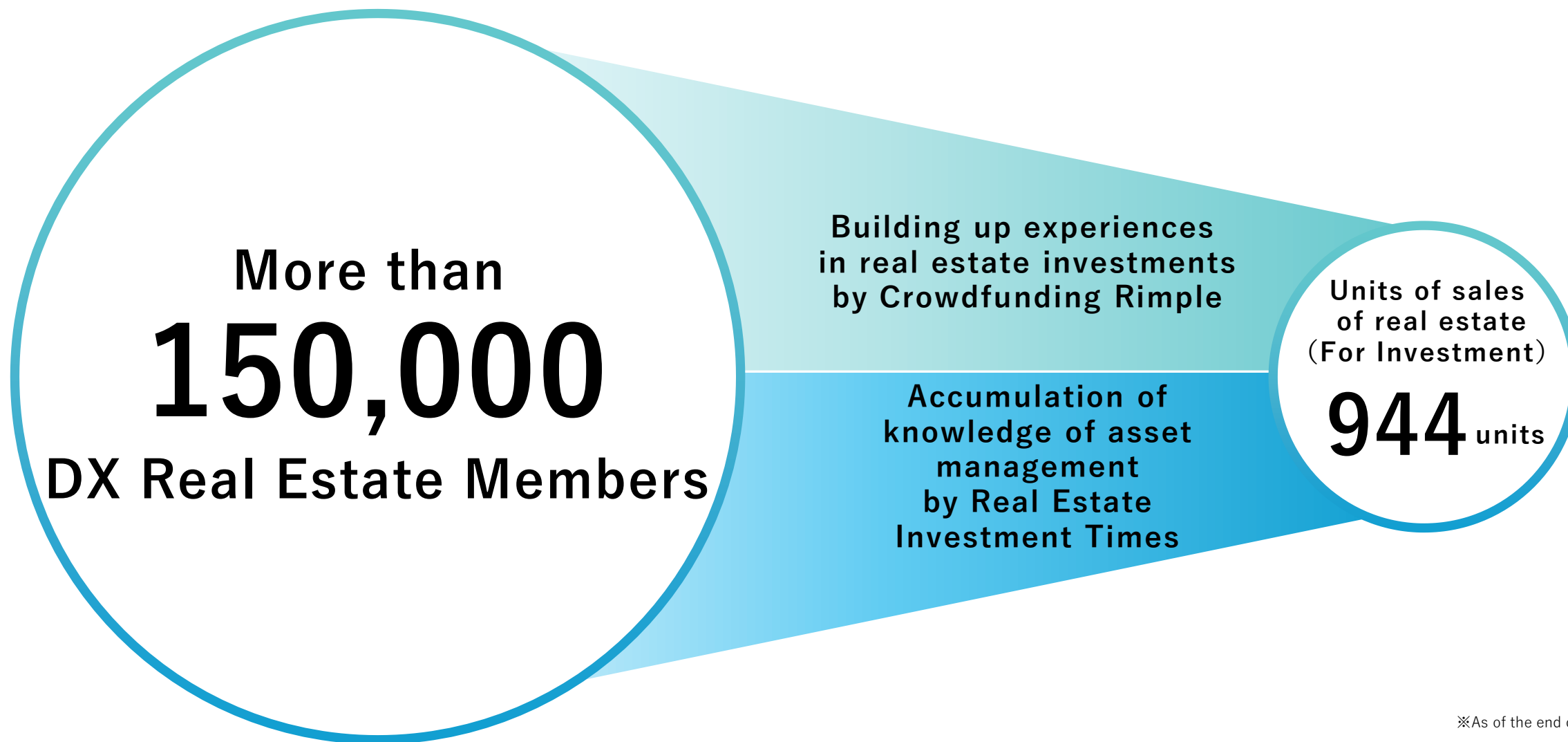


Number of
DX Real Estate Members

➡ 151,931 persons

※As of the end of March 2022 · Total number of Rimple and Times members

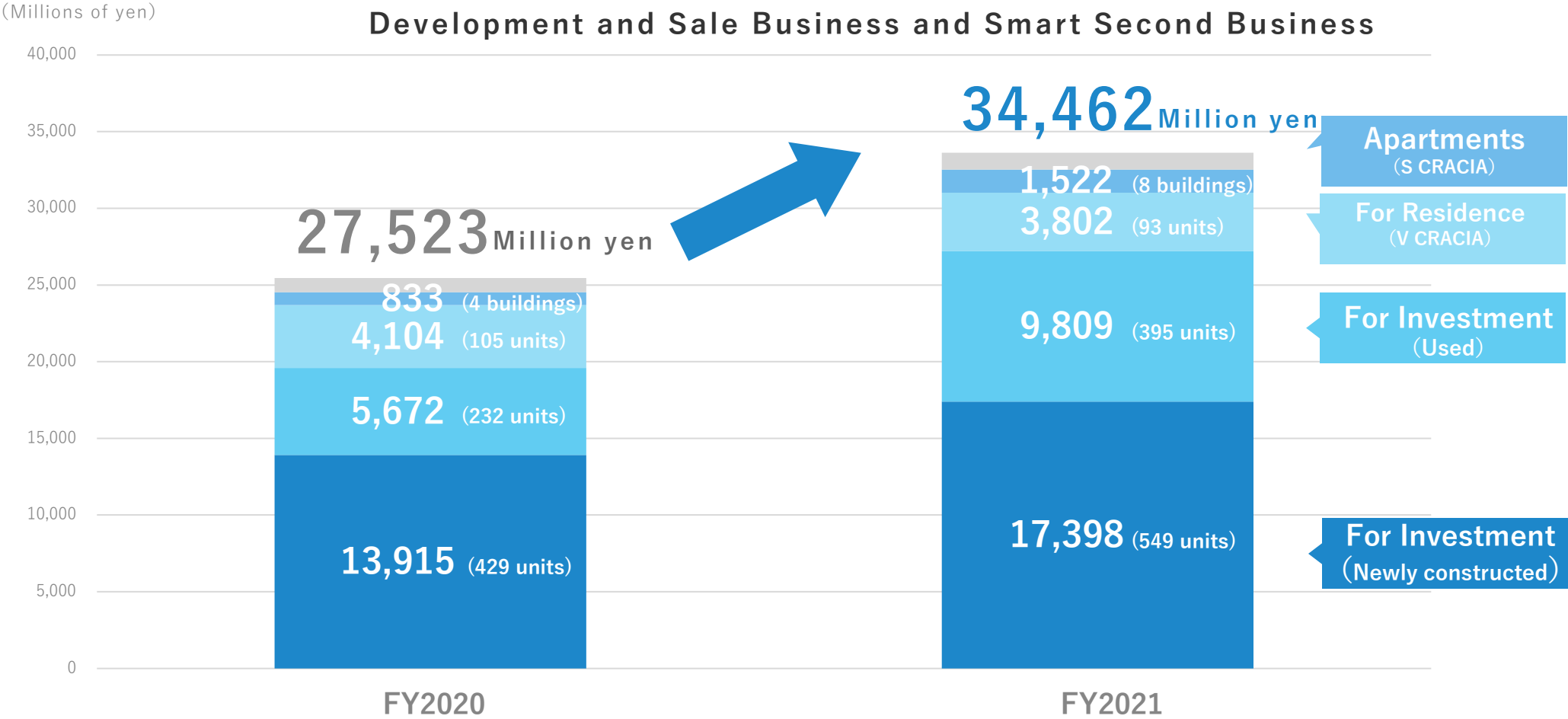
Diversified product offerings tailored to the needs of DX Real Estate Members



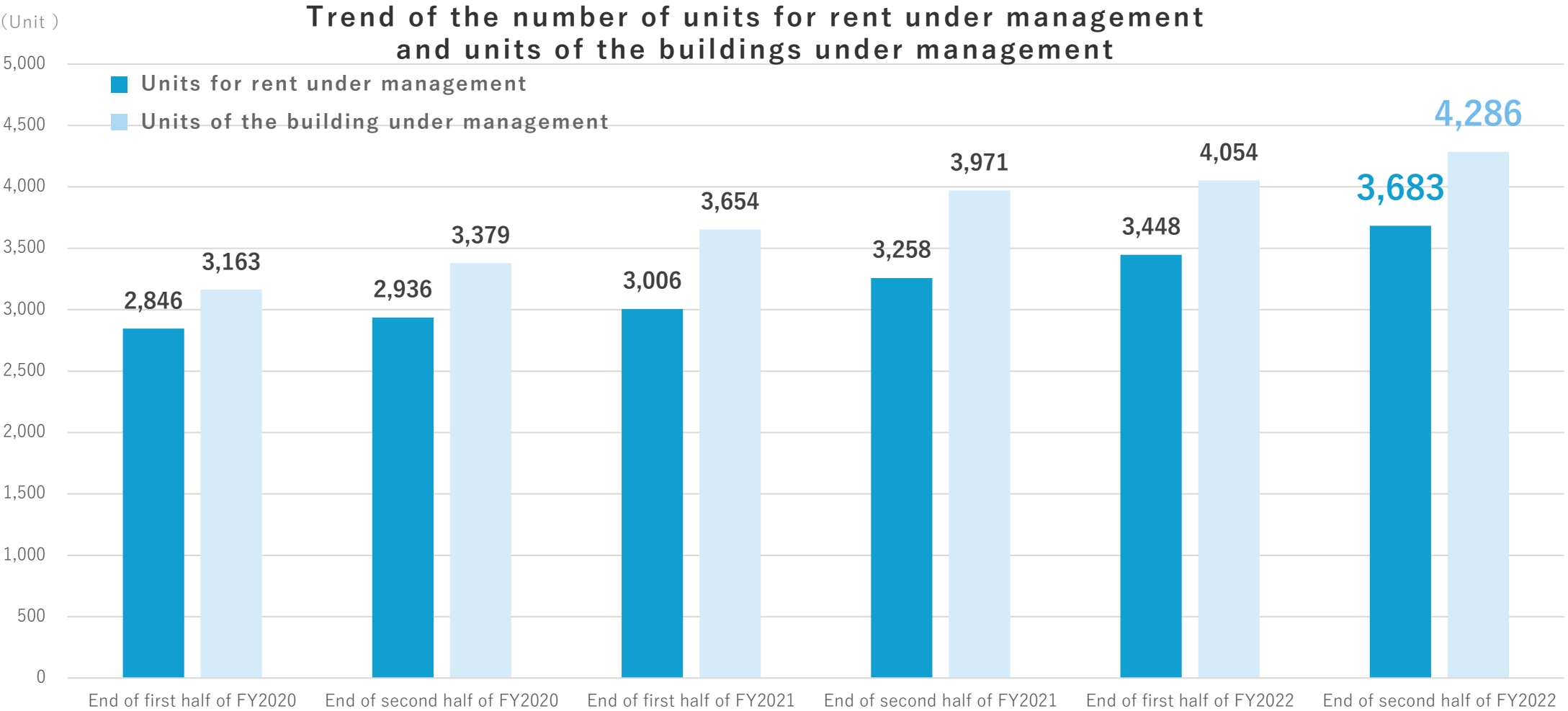
※As of the end of March 2022

Net sales of real estate and the number of units sold expanded by offering products tailored to customer needs.

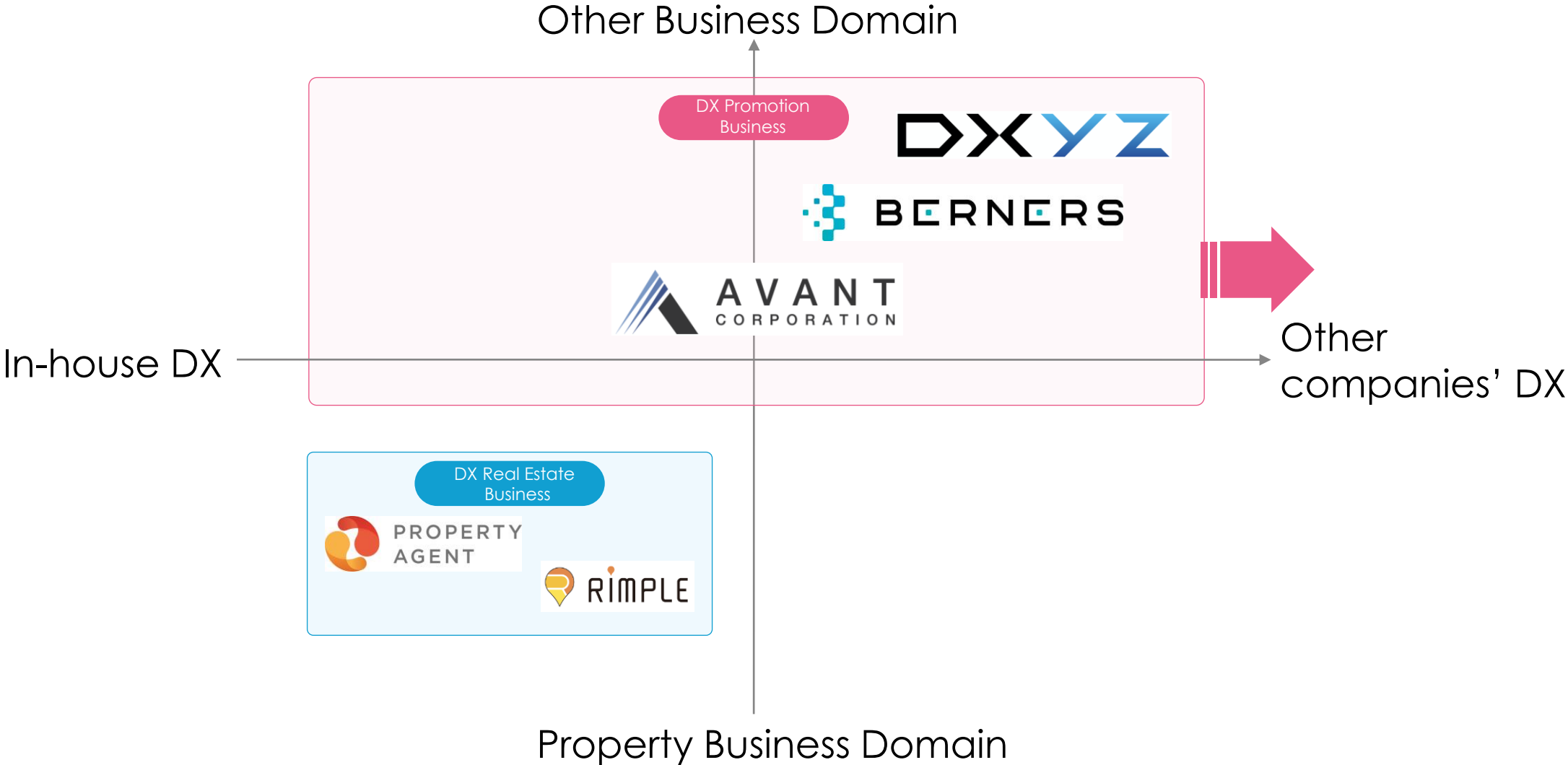
Trend of net sales and the number of units sold of Real Estate Development and Sale Business and Smart Second Business



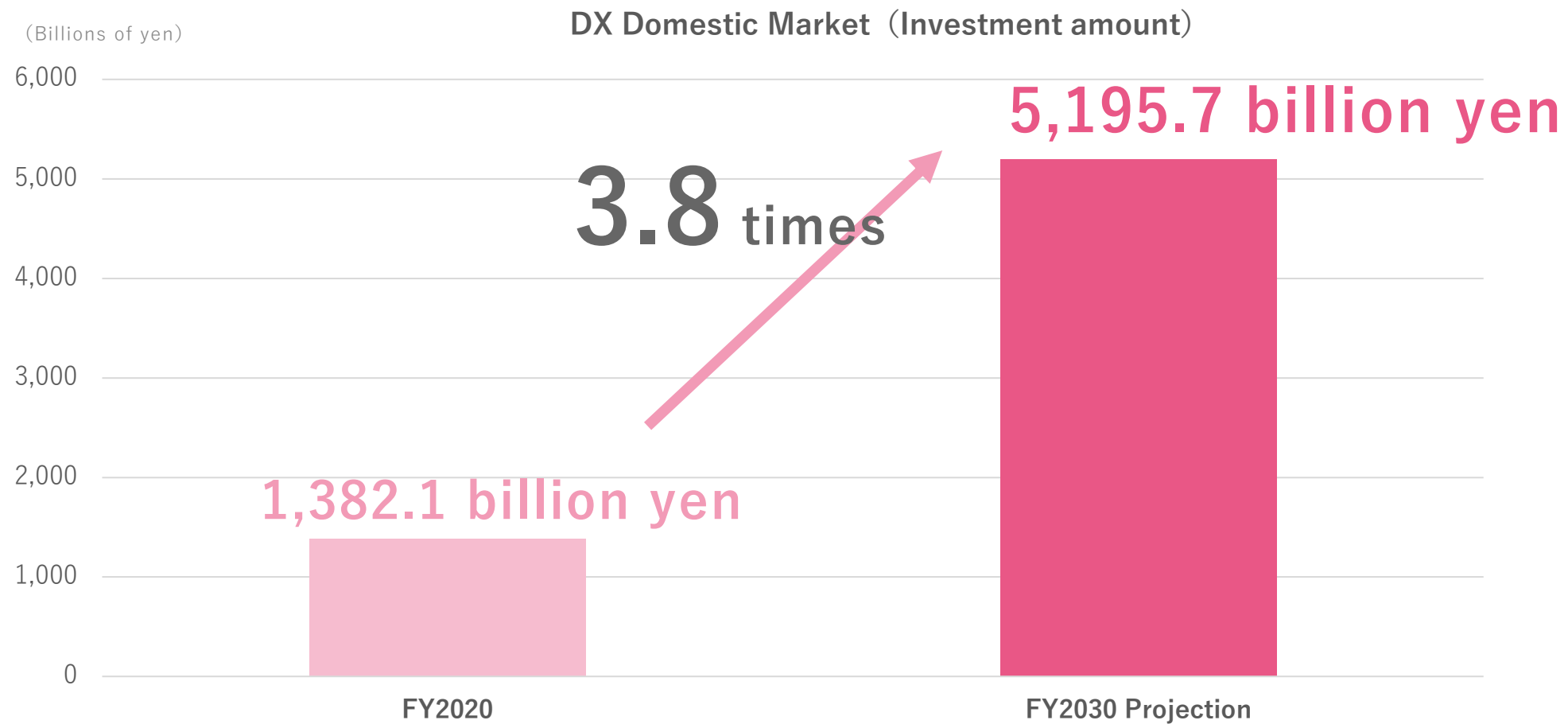
Expansion of stock revenues through an increase in the number of units for rent under management and units of the building under management



Utilizing the knowledge gained from DX Real Estate Business in the DX Promotion Business



DX market expected to continue to expand



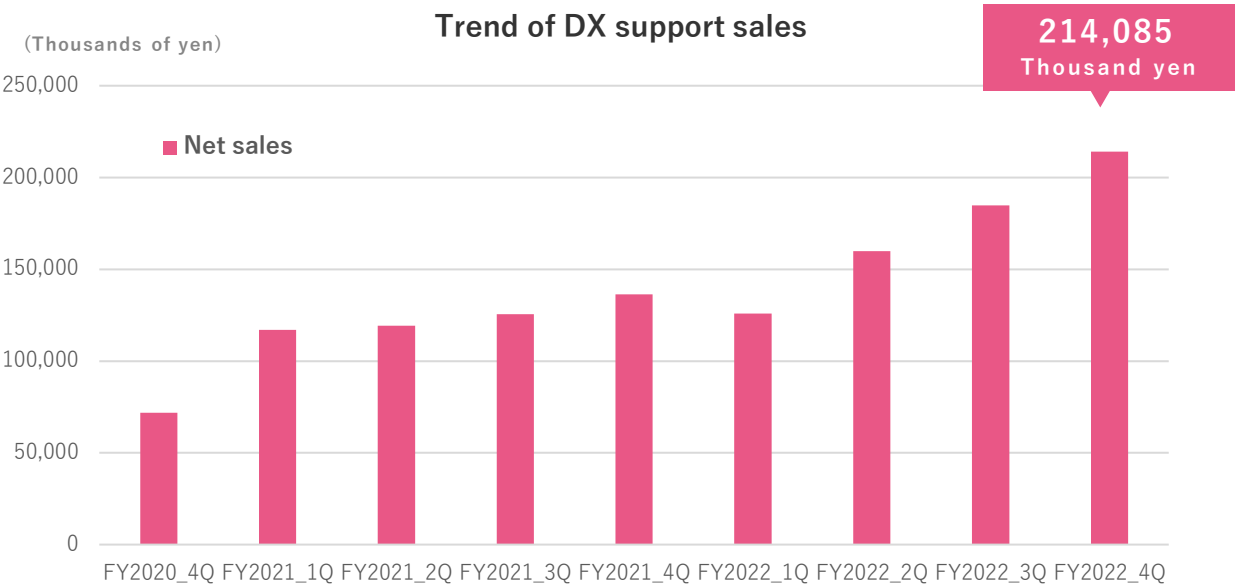
Prepared by us based on Fuji Chimera Research Institute, Inc. "2022 Digital Transformation Market Future Prospects"

Steady growth in net sales from DX support

As a result of steady growth in both FreeiD and DX support sales, DX support sales for the fiscal year ended March 31, 2022 **expanded to 558 million yen.**

We remain committed to expanding sales in the DX promotion business.

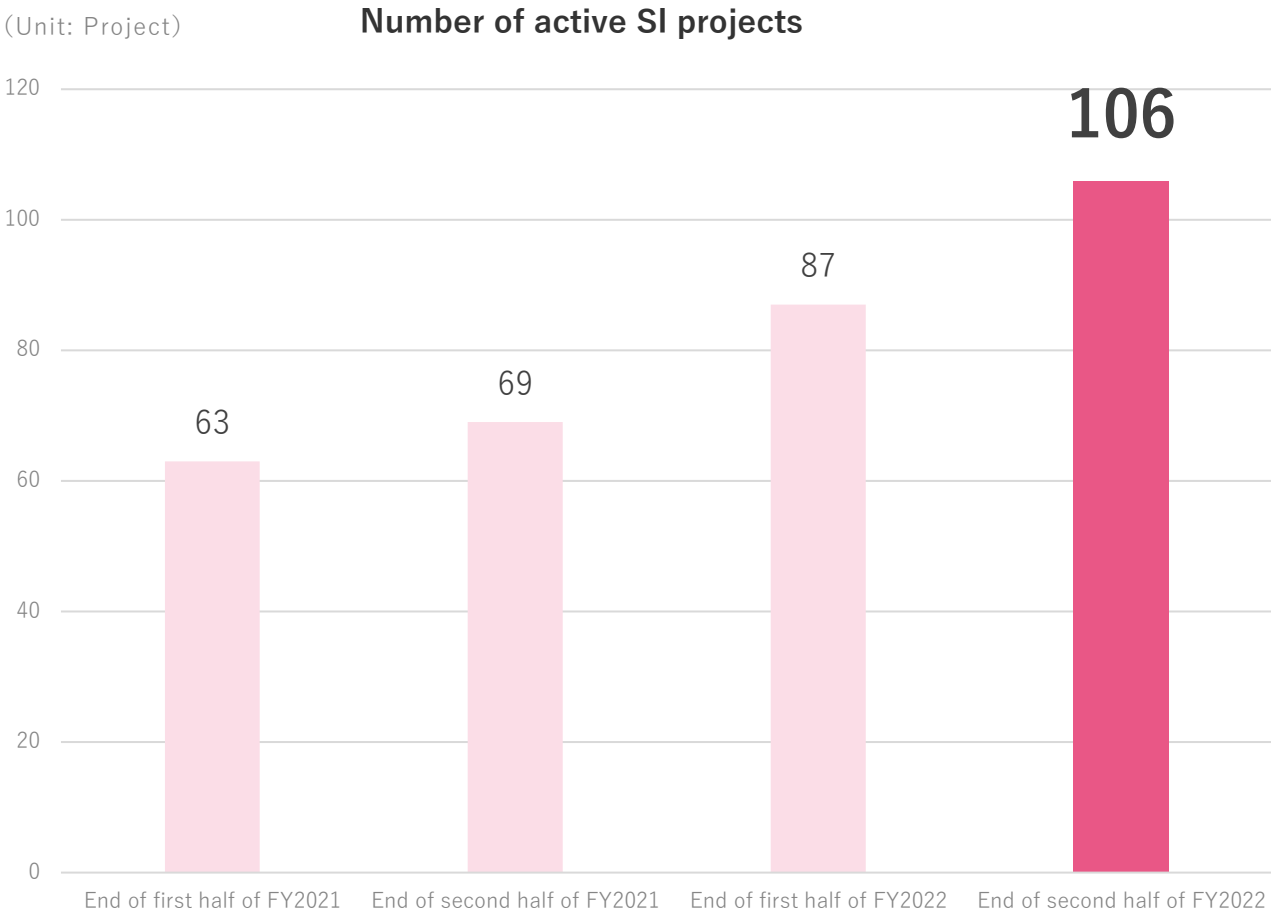
(Millions of yen)	DX Promotion Segment total	DX Support	FreeiD
Net sales	833	558	152
Segment profit	$\triangle 9$	59	$\triangle 29$



Steady progress in the number of active projects for cross-industry DX support

Seizing the opportunity of recent DX demand, the number of active projects in DX support **progressed steadily**.

By expanding this business to other industries, PROPERTY AGENT Group aims to acquire projects at an even faster pace.



Development Case 01

Entrance unlocked by facial recognition

IoT condominiums that do not require a key

ISSUE

Taking the key out of the bag and entering the PIN to open the smart lock are time-consuming and cumbersome when hands are occupied with luggage.

SOLUTION

“FreeiD”, which converts facial information into a common ID platform, is developed and installed at condominium entrances. Residents is able to open the door and enter the condominium and the room with hands-free by simply holding their faces over a face recognition device.

PRACTICAL USAGE

Facial recognition with time-limited One Time functionality is also included. If a family member or friend without a key wants to enter the room, they can enter the condominium by the facial recognition.



Development Case 02

System to automatically generate floor plans for web publication from design drawings

ISSUE

Creating floor plans for web publication takes costs and requires a lead time to create because of the work required to color-code each room, etc.

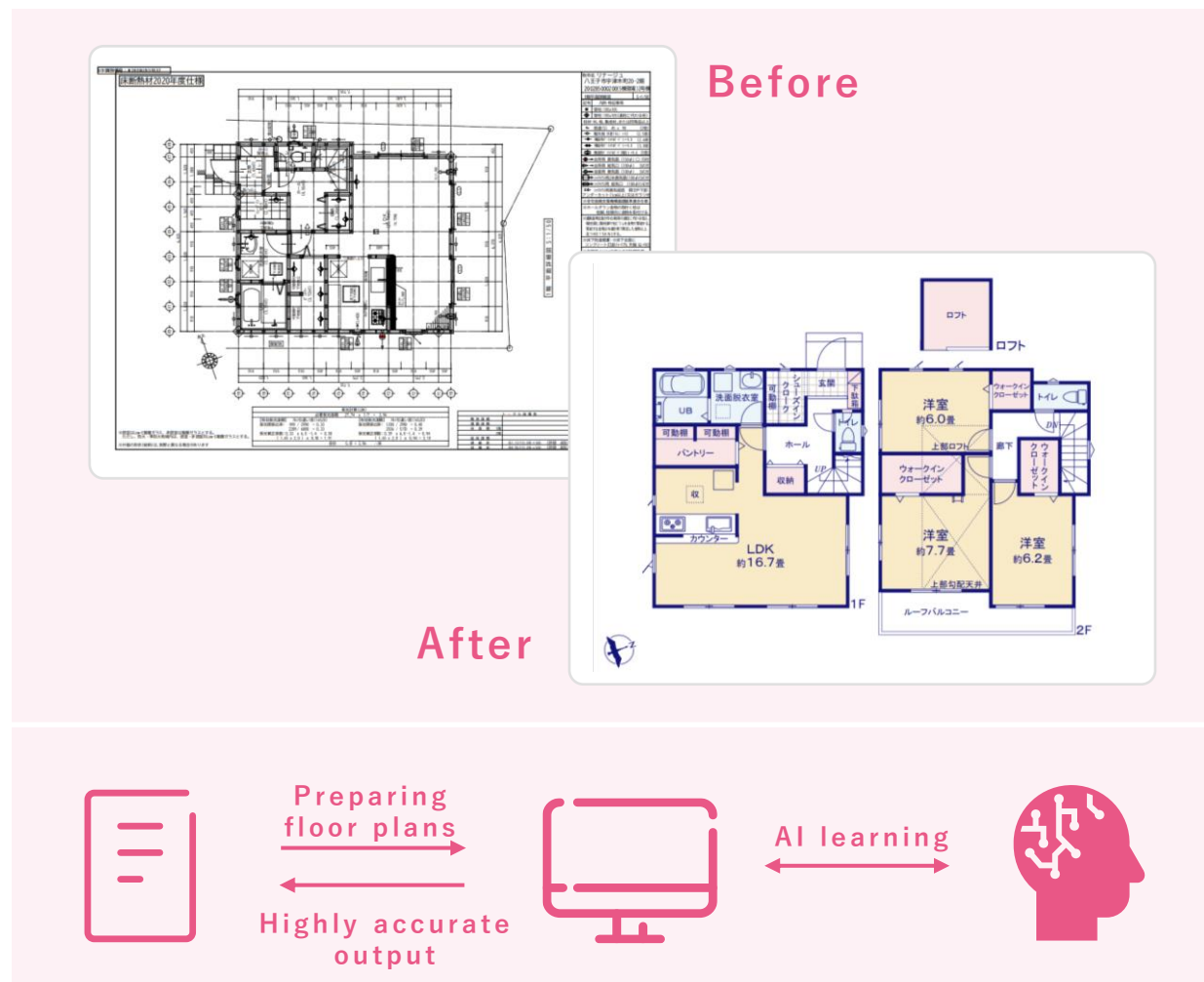
SOLUTION

Floor plans for web publication are semi-automatically output by AI learning of architectural design drawing data.

By repeating the output process, the AI can learn the common elements of each floor plan and improve its proficiency and accuracy.

PRACTICAL USAGE

By recognizing similar patterns from a large number of images, it can be applied to output based on business requirements and rules. It can also be applied to search systems for design drawing by extracting certain elements such as dimensions, configuration, and orientation from design drawings and storing them in a database.



Development Case 03

Semi-automated creation of highly accurate business revenues/expenditures with AI-based rent assessment

ISSUE

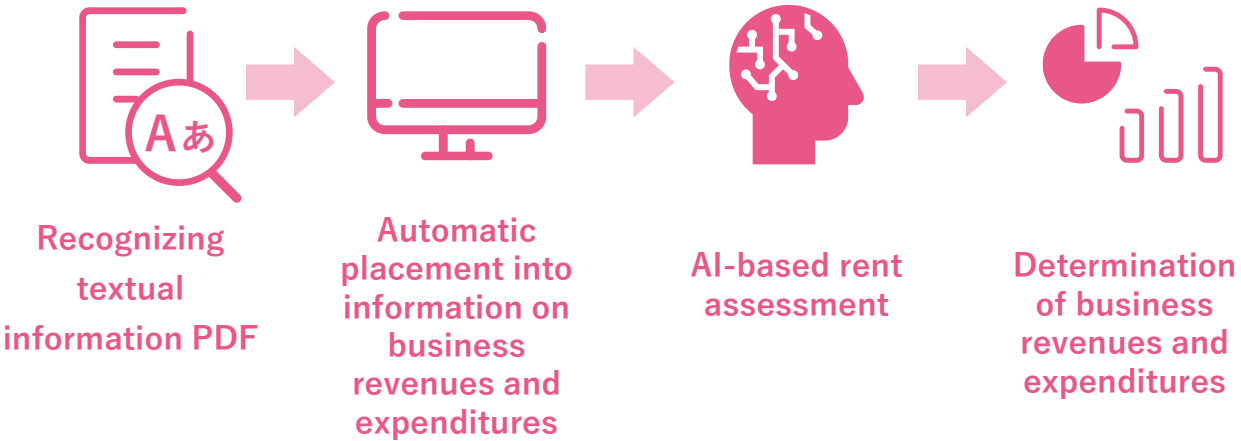
In the preparation of business revenues and expenditures for property development, necessary information was input by manpower, and rent assessment was based on the experience of the person in charge, making it a personalized process.

SOLUTION

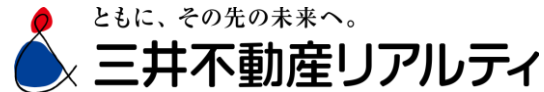
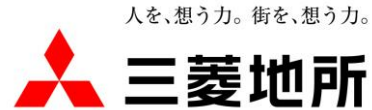
Recognizes textual information in PDFs and automatically places it in the business revenue and expenditures. In addition, data-driven and highly accurate revenues and expenditures can be prepared based on rent assessment performed by AI. This greatly reduces costs incurred from manual input work.

PRACTICAL USAGE

By giving unique IDs to properties, it is possible to collect data on area characteristics, price quotes, etc., and also to manage the progress of the purchasing staff. The accumulated data can be utilized to realize less wasteful purchasing operations.



Clients that we work with are various leading companies.



アシスト

SCSK



inet

TEG
TOKYO ESPORTS GATE, INC.



Number of
DX promotion and support
services provided

31 companies

※As of the end of March 2022
Only companies that have given permission to be listed are listed.

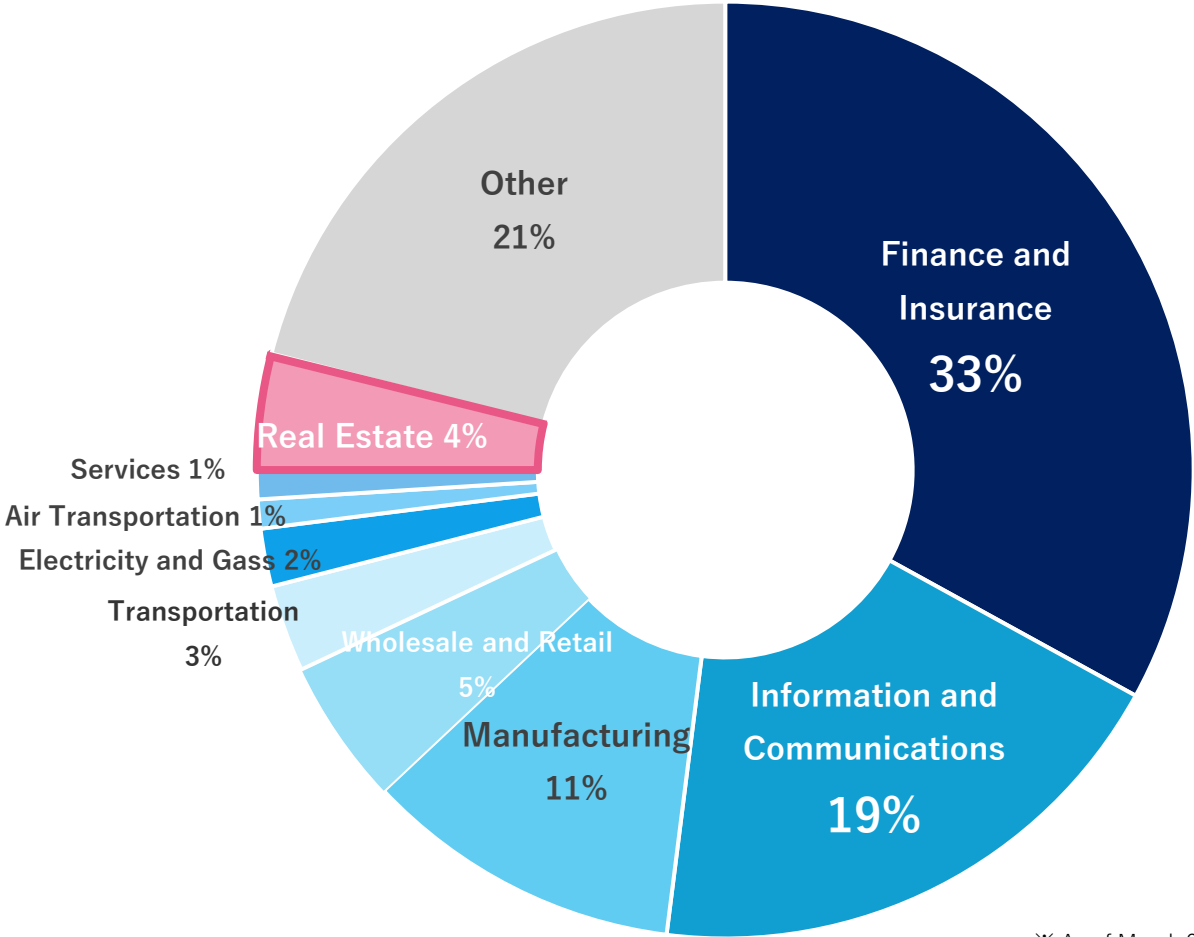
Composition ratio of DX support services that can be provided widely across industries

We provide DX support services to a variety of industries, primarily in the Finance and Insurance industry.

Client Portfolio by Industry

Non-real estate industries 96 %

Real estate industry 4 %



※ As of March 2022

Smart City Solution by Facial Recognition SaaS Platform “FreeiD”

FreeiD Business is the smart city solution business using the "FreeiD" facial recognition SaaS platform.

We contribute to the creation of sustainable cities by providing SaaS and PaaS to address various urban issues through our technology development capabilities. We aim to realize a society in which everyone can live with peace of mind.

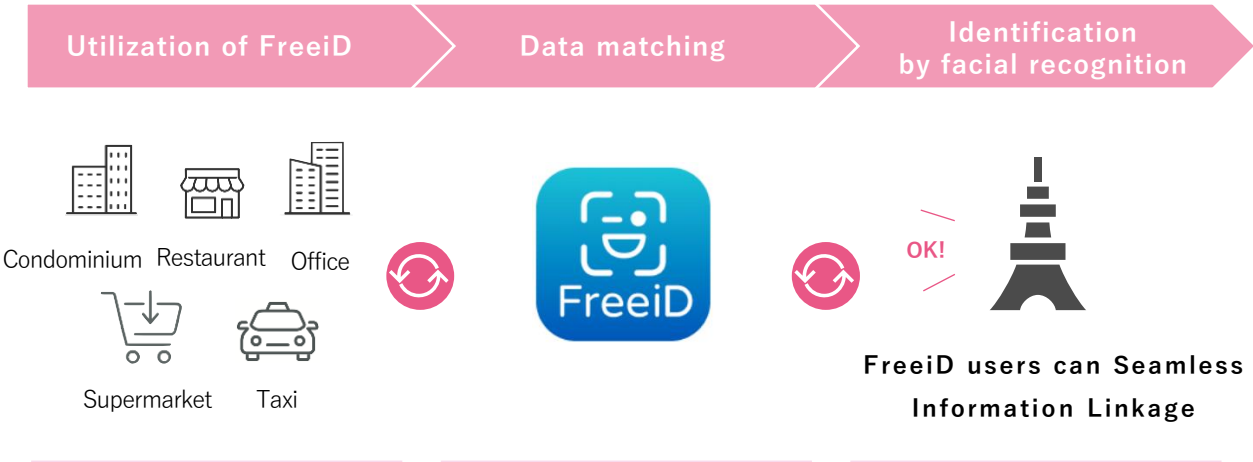


FreeiD was adopted as the entrance service for the esports park "RED° TOKYO TOWER."

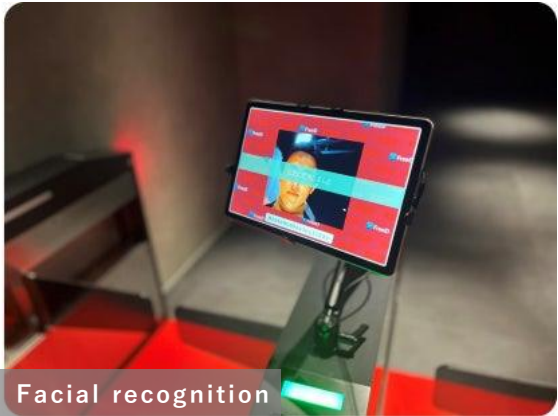
FreeiD was adopted as the identity authentication system for the esports park "RED° TOKYO TOWER", which opened in Tokyo Tower Foot Town in April 2022. Users who have already registered for FreeiD do not need to undergo a new identity verification process, providing a new user experience.



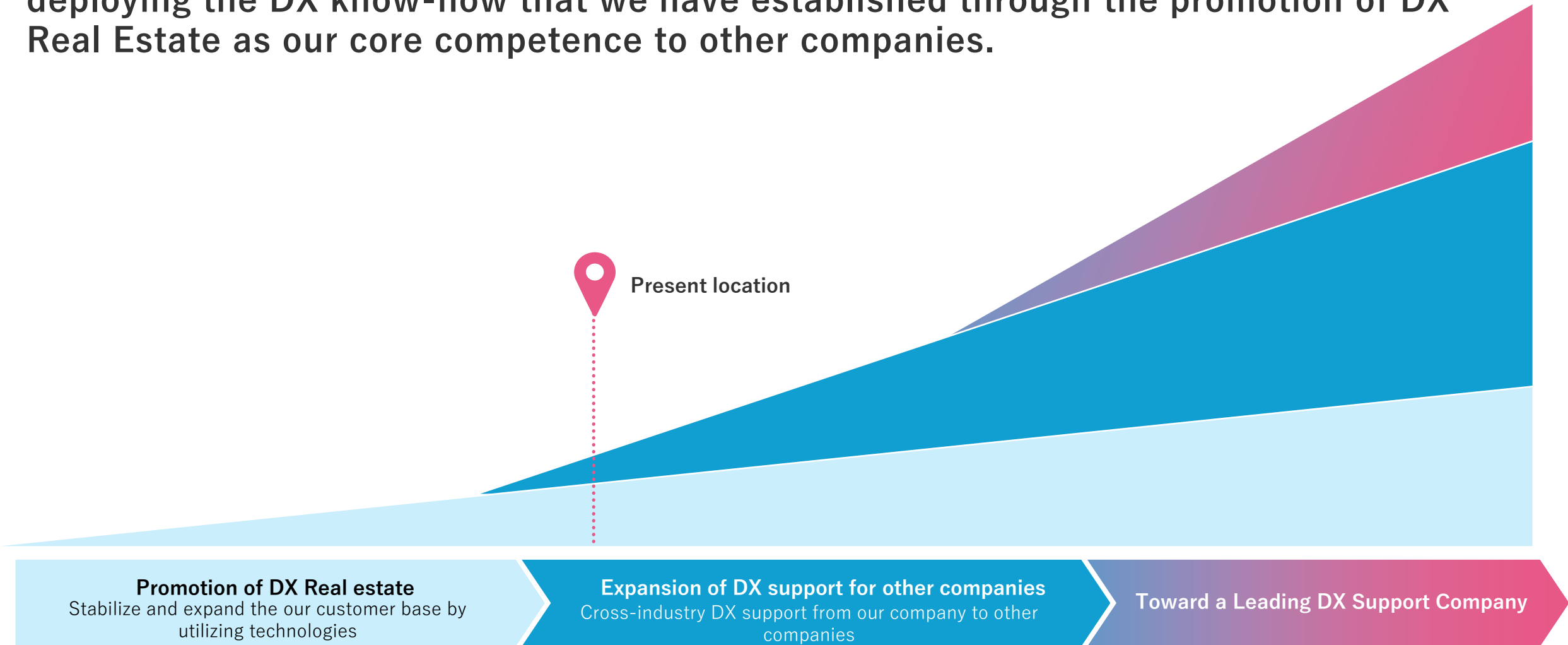
Image of usage scene of FreeiD



esports park "RED° TOKYO TOWER" entrance gate



We aim to accelerate service developments and further expand our business by deploying the DX know-how that we have established through the promotion of DX Real Estate as our core competence to other companies.



Appendix

Real Estate Coins have been well received.

Points from other companies can be converted into Real Estate Coins that can be used in Rimple and invested. These Real Estate Coins have a value of "1 coin = 1 yen" and can be invested in real estate.



※ Point exchange rates vary from company to company.

ポイントを使った投資例

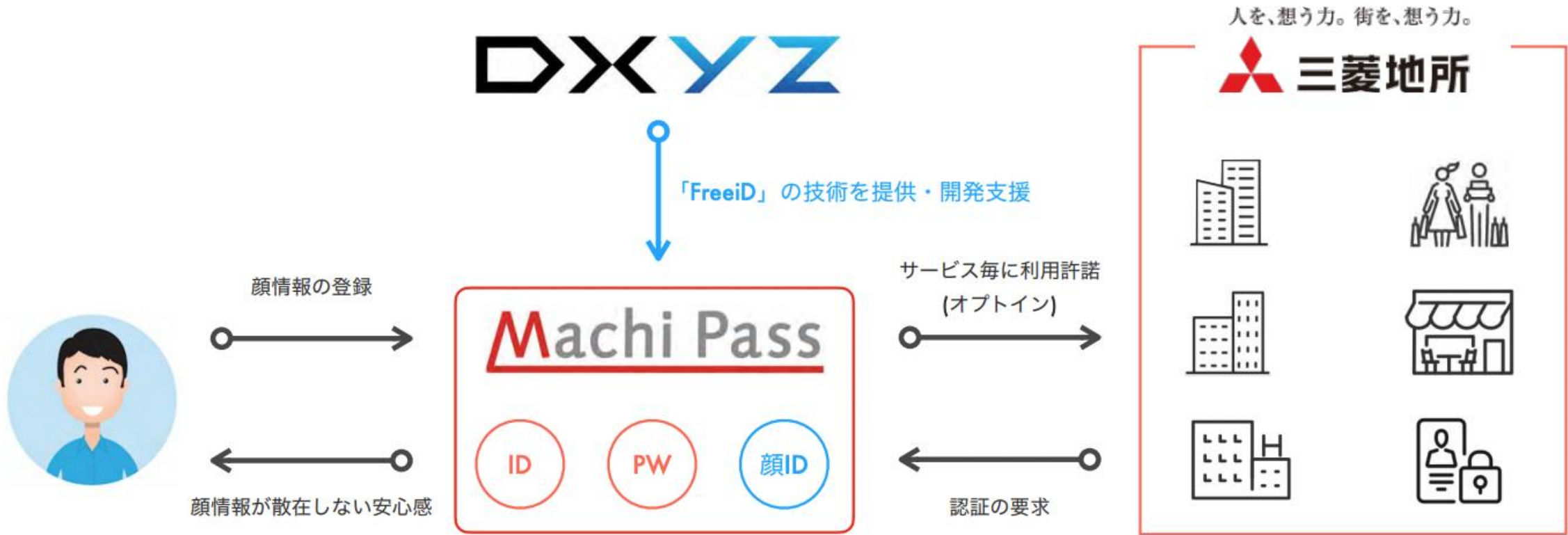
例えば下記物件に30,000円を投資する場合



注意事項

※当社が不動産特定事業法のもとの事業者となる匿名組合に出資を行っていただき、当初予定通りの匿名組合利益を計上した際の最大の分配金となります。賃料の下落や空室、災害等により、対象不動産の価値が毀損した場合には、この分配金より低くなる、もしくは、分配金が発生しない場合があります。また、対象不動産の価値が著しく毀損した場合には、出資元本を毀損する場合があります。

Development supports for the establishment of the “Machi Pass FACE” of Mitsubishi Estate Co., Ltd.



Growing DX demand ahead of 2025 Digital Cliff

2025 Digital Cliff

Delays in international competition and economic stagnation caused by failure to overcome the challenges of existing complex, aging, and black-box systems that hinder DX



Economic loss after 2025

Up to **12** trillion yen/year

Shortage of IT personnel by 2025

Approximately **430,000** Persons

Maintenance cost for the systems out of IT budget

More than **90** % by 2025



Resources are prioritized for maintenance, making it difficult to create added value through data utilization.

Reference : Ministry of Economy, Trade and Industry “a Report on Digital Transformation(DX): Overcoming of '2025 Digital Cliff' Involving IT Systems and Full-fledged Development of Efforts for Digital Transformation”

A dedicated website to the SDGs has been set up, with basic policies for achieving a sustainable society.

Background to the set up

The dedicated website has been set up to clearly state our stance on achieving a sustainable society and to reiterate and disseminate it to employees and other stakeholders, in line with the our medium-term vision of “Balancing Evolution/Transformation and Sustainability.”

PROPERTY AGENT Inc.’s Sustainable Policy

Through the implementation of our corporate philosophy, we will strive to solve social issues, integrate social and environmental values with the value of our business activities, realize a sustainable society, enhancement of our corporate value and perpetual management.



Disclaimer regarding forward-looking statements

Materials and information provided included in this presentation may contain so-called “forward-looking statements.” These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties that could cause actual outcomes and results to differ materially from these statements.

Risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange fluctuations.

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