AMBITION DX HOLDINGS

2023

Materials for Financial Results Briefing
FY06/2023 (full-term)

August 14, 2023 (Mon.)

TSE Growth: 3300

AGENDA

AMBITION DX HOLDINGS

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Section 1

Financial Results Overview

FY06/2023
(Company-wide)

Points (FY06/2023)

AMBITION DX HOLDINGS

Much higher revenues/earnings (YoY)

Record-high sales and profit were achieved

Company-wide results

Point 01

Higher revenues / Higher earnings

Consolidated performance forecasts for the full-term of FY06/2023 were upwardly revised

- Net sales: **14.7% UP**
  (FY2022) 31,607 mil. yen (FY2023) 36,239 mil. yen
  (+/– amount) 4,631 mil. yen
- Operating profit : **7.0% UP**
  (FY2022) 1,498 mil. yen (FY2023) 1,603 mil. yen
  (+/– amount) 104 mil. yen
- Ordinary profit : **9.4% UP**
  (FY2022) 1,355 mil. yen (FY2023) 1,482 mil. yen
  (+/– amount) 127 mil. yen

Point 02

DX measures realized organic growth

- Operating profit excluding Incubation Business: **63.3% UP**
  (FY2022) 974 mil. yen (FY2023) 1,591 mil. yen
  (+/– amount) 616 mil. yen

Point 03

【Leasing DX】Property Management Business

- Net sales: **11.6% UP**
- Segment profit: **41.1% UP**
- Number of houses under management: **PLUS 850**
- Occupancy rate: **98.2%**

Point 04

【Sales/Purchase DX】Investment Business

- Actual results were as planned
- In total, **383 properties** were sold

Point 05

Small Amount Short-term Insurance Business

- Obtained new contracts smoothly
- “MONOLITH” helped increasing contracts

Performance highlights (FY06/2023: Actual results)

AMBITION DX HOLDINGS

Higher revenues / Higher earnings

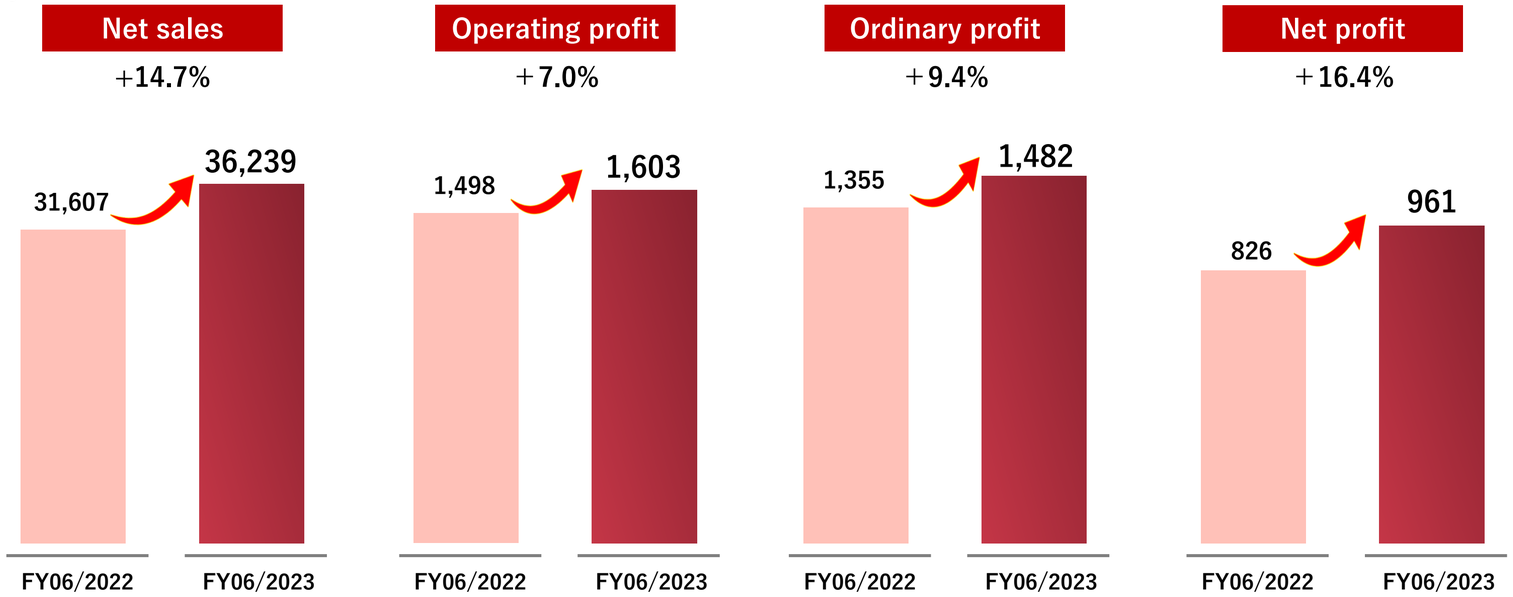
Record-high sales and profit were achieved

Corporate policy of FY06/2023 “Reform of existing businesses by promoting DX and growth of Real Estate DX Business”

(mil. yen)	FY06/2022	FY06/2023	+/− %	+/− amount
Net sales	31,607	36,239	14.7%	4,631
Operating profit	1,498	1,603	7.0%	104
Ordinary profit	1,355	1,482	9.4%	127
Net profit*	826	961	16.4%	135

* Net profit attributable to owners of parent

(mil. yen)



Key factors

【Leasing DX】Property Management Business

Increase in houses under management:
24,971 (+850 YoY)

Increase in subleased houses under management:
13,913 (+415 YoY)

Improved productivity thanks to DX measures

【Sales/Purchase DX】Investment Business

Increased number of houses sold:	383
VERITAS:	278 (+31 YoY)
Investment Division of AMBITION DX HD:	105 (−1 YoY)

Higher revenues / Much higher earnings

(mil. yen)	FY06/2022	FY06/2023	+/− %	+/− amount
Net sales	31,607	36,239	+14.7%	+4,631
Gross profit	6,109	6,595	+7.9%	+485
SG&A expenses	4,611	4,991	+8.3%	+380
EBITDA*	1,758	1,901	+8.1%	+143
Operating profit	1,498	1,603	+7.0%	+104
Ordinary profit	1,355	1,482	+9.4%	+127
Net profit before income taxes	1,322	1,481	+12.0%	+158
Net profit attributable to owners of parent	826	961	+16.4%	+135

* EBITDA = Operating profit + Depreciation + Software depreciation + Goodwill amortization

Balance Sheet

(mil. yen)	FY06/2022 year-end	FY06/2023 year-end	+/− amount
Current assets	13,679	14,902	+1,222
Non-current assets	3,354	5,612	+2,258
Total assets	17,036	20,516	+3,479
Current liabilities	6,727	8,521	+1,794
Non-current liabilities	6,564	7,393	+828
Net assets	3,744	4,600	+856
Total liabilities and net assets	17,036	20,516	+3,479

Trend in number of houses under management

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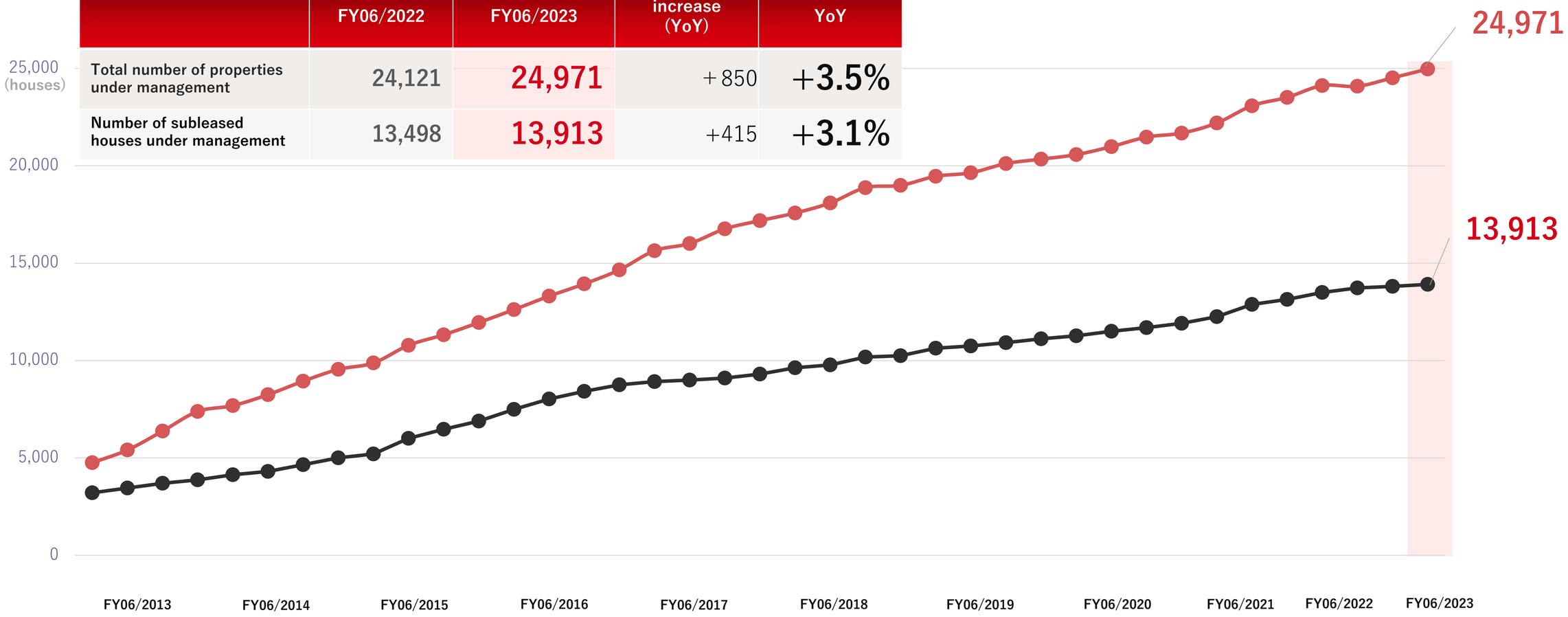
Number of houses under management continues to increase favorably

Trend in numbers of houses/subleased houses under management:

	FY06/2022	FY06/2023	increase (YoY)	YoY
Total number of properties under management	24,121	24,971	+850	+3.5%
Number of subleased houses under management	13,498	13,913	+415	+3.1%



Quarterly trend in occupancy rate

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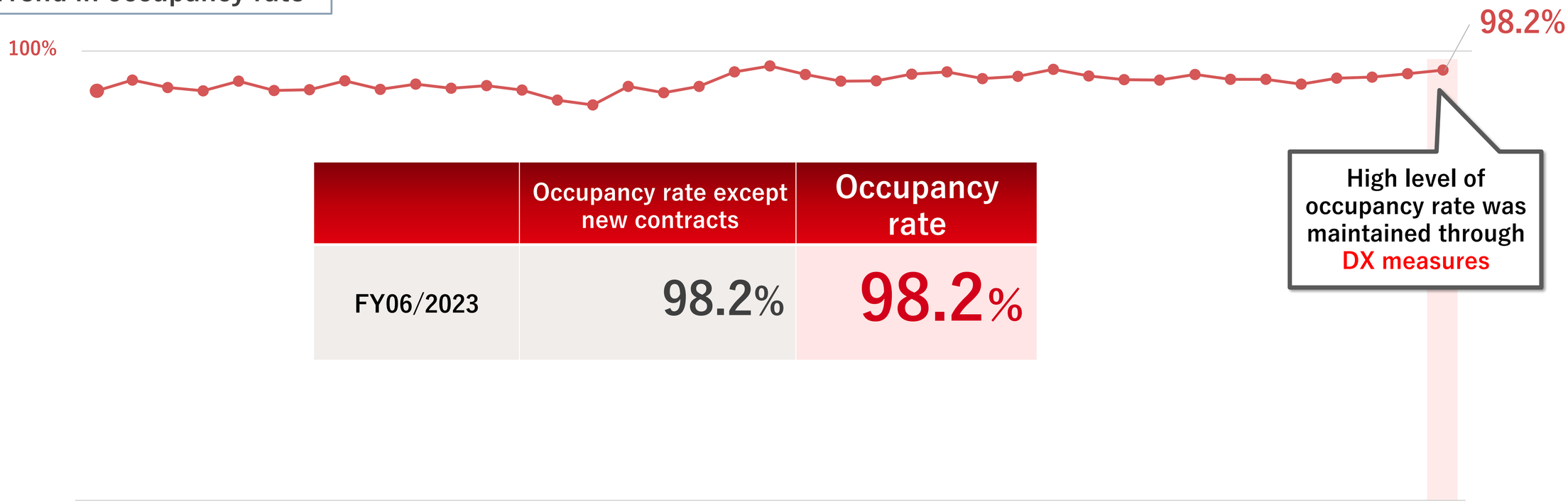
High level of occupancy rate was maintained

【Features】

- Properties under management: Mainly high-quality studio apartments such as designer's brand
- Areas: Concentrated in Tokyo (mainly 23 wards) & Kanagawa/Chiba/Saitama Prefectures
- Target: Mainly single-person households

Trend in occupancy rate

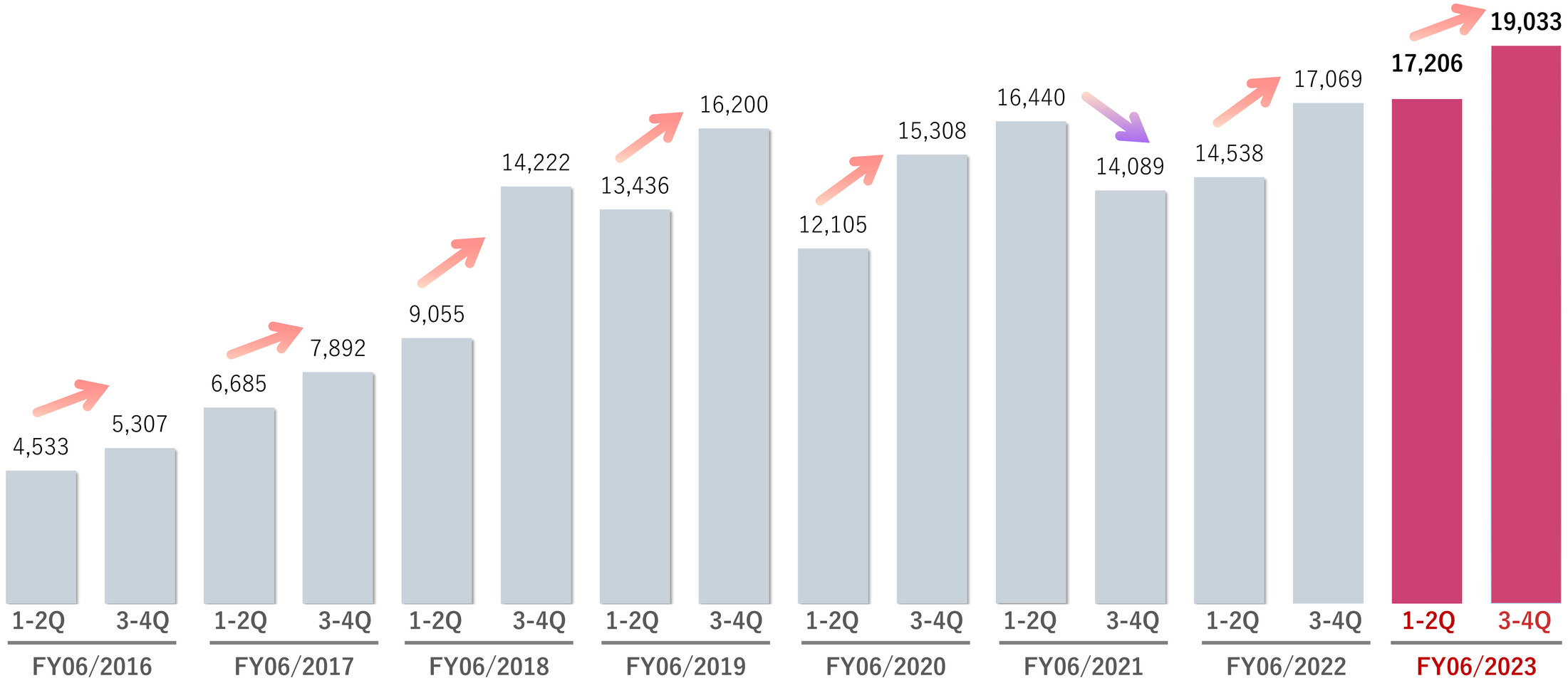


	Occupancy rate except new contracts	Occupancy rate
FY06/2023	98.2%	98.2%

High level of occupancy rate was maintained through DX measures

Trend in net sales

Net sales tend to be lopsided to second half as peak periods of Leasing DX* come in 3Q and later



Section 2

Financial results overview

FY06/2023
(by segment)

Business segments

Five business segments

【Leasing DX】 Property Management Business

- ◆ Subleasing business and leasing management business for residential properties
- ◆ Next-generation management system “AMBITION Cloud” realizes higher operational efficiency

【Leasing DX】 Leasing Brokerage Business

- ◆ Brokerage business for leased properties, mainly those managed by the Company
- ◆ AMBITION AGENCY Co., Ltd. (which operates “ROOMPIA”) and VALOR Co., Ltd. (which operates “VALOR”), both of which are subsidiaries, run total 18 shops: 9 in Tokyo, 8 in Kanagawa Pref. and 1 in Saitama Pref.
- ◆ High leasing ability of this segment contributes to the high occupancy rates maintained by the Property Management Business

【Sales/Purchase DX】 Investment Business

- ◆ VERITAS INVESTMENT (subsidiary): Develops its business around selling self-developed studio apartments for investment in new building
- ◆ Investment Division of the Company: By means of its ability to purchase properties from diverse routes, sells renovated condominium apartments with emphasis on location

Incubation Business

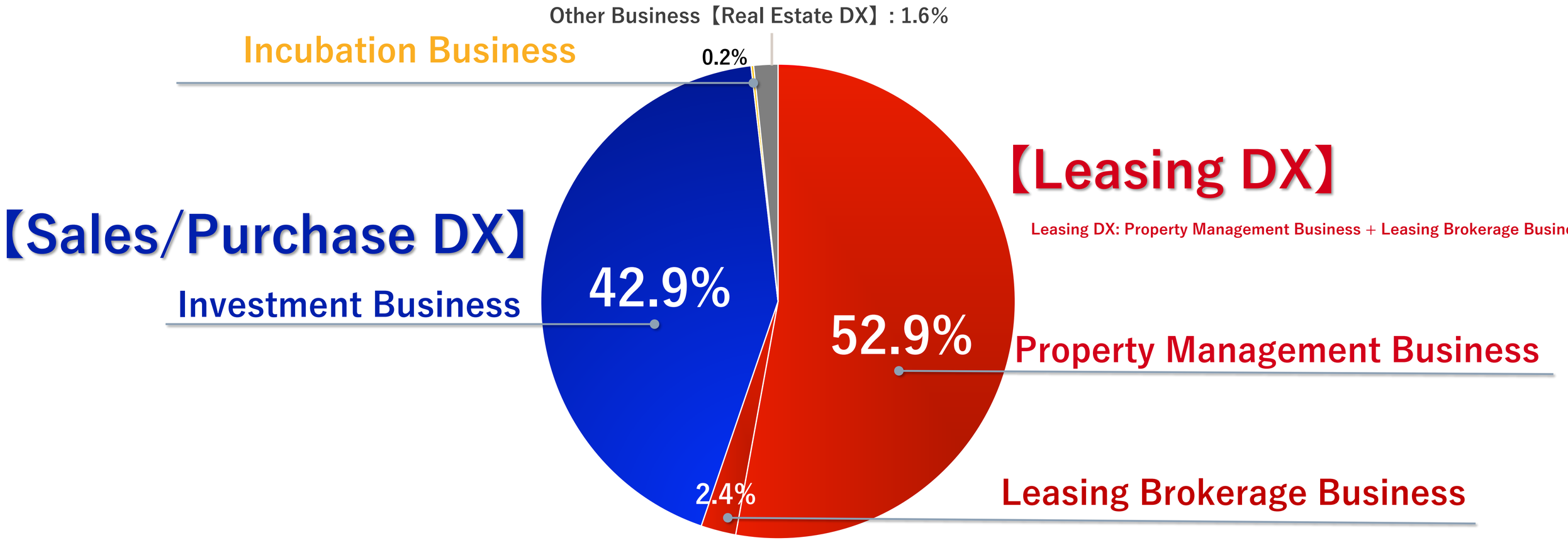
- ◆ AMBITION VENTURES (subsidiary):
- ◆ Invests in venture companies which carry out businesses highly compatible with those of the Group
- ◆ Provides support to invested companies through capital tie-up, leading to earnings via IPO or other means

【Real Estate DX】 Other Business

- ◆ Real Estate DX Business (Re-Tech RaaS) ◆ Small Amount Short-term Insurance Business (HOPE)
- Overseas Systems Business (AMBITION VIETNAM)

Net sales by segment / proportions

【Leasing DX】 accounts for about 60% of overall sales



FY06/2023 (full-term)

【Leasing DX】

Property Management Business

Developed mainly by the Business Division of the Company but also partly by VERITAS INVESTMENT and VALOR

* On July 1, 2023, “VALOR Co., Ltd.” was renamed to “AMBITION VALOR Co., Ltd.”

FY06/2023: Actual results

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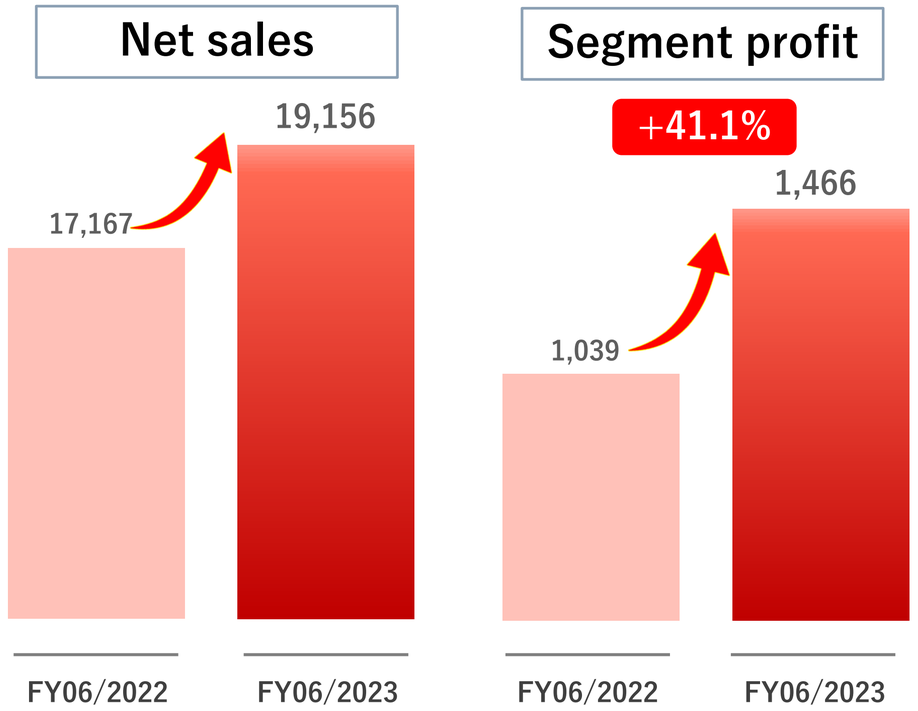
Much higher revenues/earnings

(mil. yen)	FY06/2022	FY06/2023	+/– %	+/– amount
Net sales	17,167	19,156	11.6%	1,989
Segment profit	1,039	1,466	41.1%	426

(mil. yen)

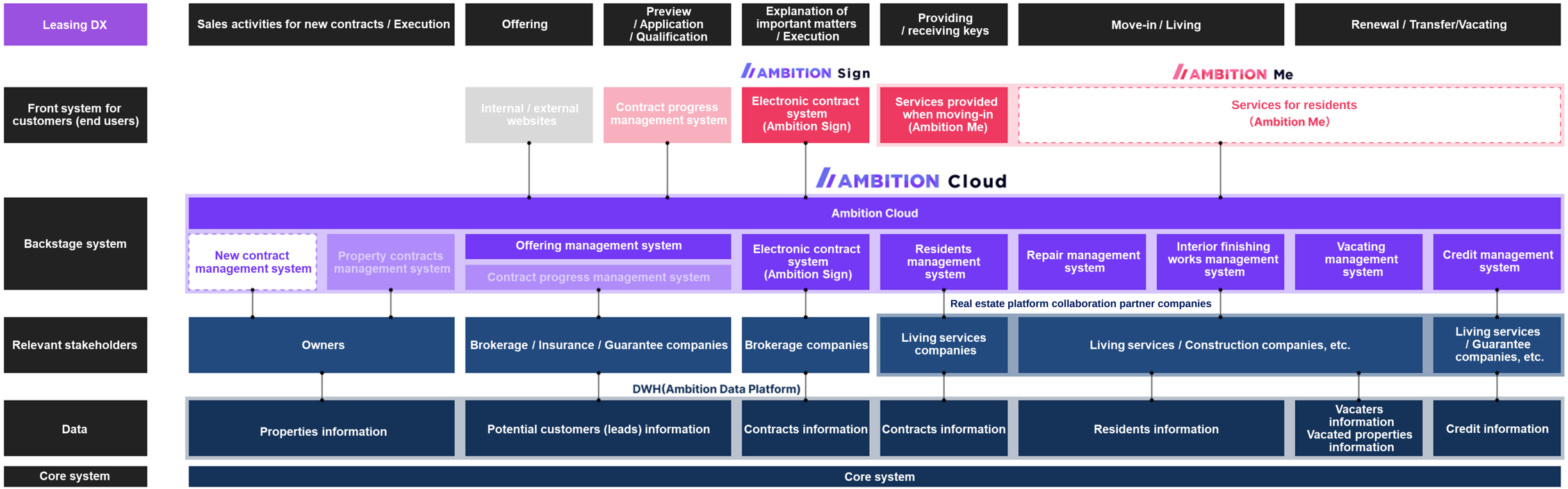


Higher revenues: Increased number of houses under management
Higher earnings: DX measures realized higher productivity

【KPI】Maintained steady progress
・Houses under management: 24,971 (+850 [+3.5%] YoY)
・Subleased houses under management: 13,913 (+415 [+3.1%] YoY)
・Occupancy rate: 98.2% (98.2% if newly contracted properties are excluded)
DX promotion measures realized high level of occupancy rate

【Major approaches】
Realization of next-generation management system named “AMBITION Cloud” (which facilitates higher operational efficiency)
“AMBITION Sign”, an electronic contract package using blockchain technologies
“AMBITION Me”, an app for residents, aiming at improvement in ongoing relationship with residents
Construction of a loyalty program is on the way, which would realize maximum LTV (Life Time Value)

Overview of the blockchain-enabled real estate DX, “AMBITION Cloud”



System services currently under planning/development

Backstage system

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Conventional, analog-style operations of leasing management are renovated
Higher efficiency in operational processes and higher productivity are realized

Conventional operations

Unsatisfactory
Messy document keeping
Inputting/sharing duplicate info
Messy correspondence

Unsatisfactory
Burden of document organization
Inputting duplicate contents
Difficulty in organizing info

Unsatisfactory
Messy document keeping
No record
Messy correspondence

Unsatisfactory
Difficulty in status management
Inputting duplicate info
Human error

Analog

Residents

Management company

Bank

Owner

Insurance/guarantee company

Properties information media

Construction company

AMBITION Cloud
Operational renovation with digital technologies

AMBITION Cloud

Residents

Management company

Construction company

Digital

Credit management system

Interior finishing works management system

Vacating management system

Repair management system

Property management system

Digital

Bank

Owner

Insurance/guarantee company

Properties information media

Paperless operations were realized

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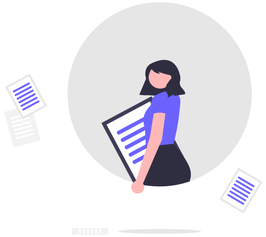
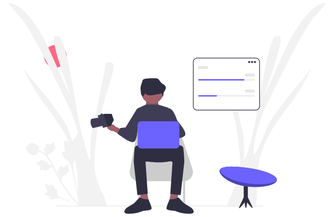
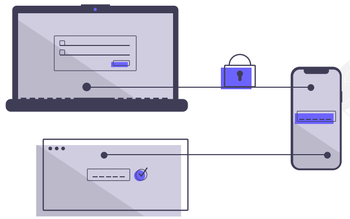
Paperless process from inquiry through to move-in

	Inquiry	Booking for preview	Application /Qualification	Explanation of important matters	Guarantee company Rental contract	Procedures for moving in
Past	FAX / Telephone		Face-to-face / In writing FAX / Telephone	Face-to-Face / In writing / by mail		Face-to-face / In writing
AMBITION DX HOLDINGS 【Leasing DX】	AMBITION Cloud					
	Contract progress management system			AMBITION Sign		AMBITION Me
	Chat	Online booking	Digital management	Electronic contract	System integration electronic contract	App




Our original electronic contracting service makes use of blockchain technologies and realizes secure environment and superior user experiences

AMBITION Sign

AMBITION Sign plays a central role in AMBITION Cloud

In line with the Real Estate Business Act as amended in May 2022, a series of procedures relating to real estate leasing contracts including guarantee agreements is digitized, thereby completing the entire process of contract execution online, starting from explanation of important matters through to eventual leasing contract execution.

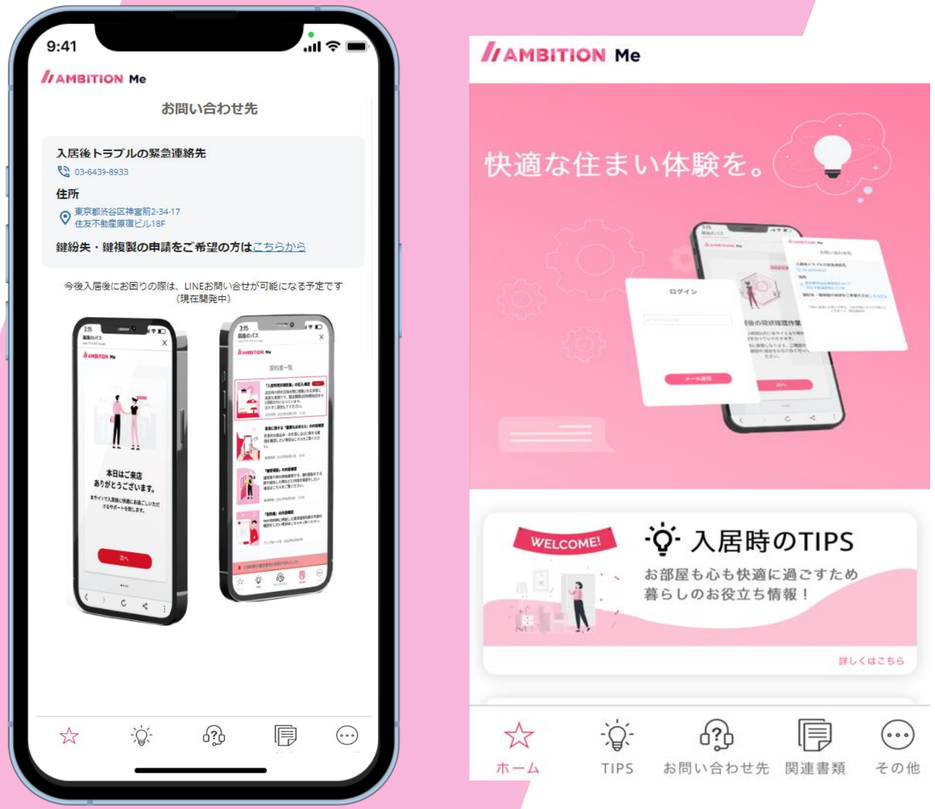
This system follows prevailing workflow of real estate business, and realizes optimum user experiences (UX).



Living platform used by residents can be built up. When moving in, contracts for essential servicesincluding living infrastructure can be executed immediately.

AMBITION Me

- From move-in, then through contract renewal up to vacating, this app keeps connections with residents as a touchpoint with them.
- Moving forward, it will be integrated with a variety of living-related services such as online healthcare, utilities (electricity/gas/water), insurance, etc.
- Objectives of introducing a loyalty program are to improve ongoing relationship with residents and to maximize their LTV (Life Time Value).



【Online healthcare】services started as a part of “AMBITION Me” (DX app for residents)

～Experience of even more comfortable living is realized for every resident～







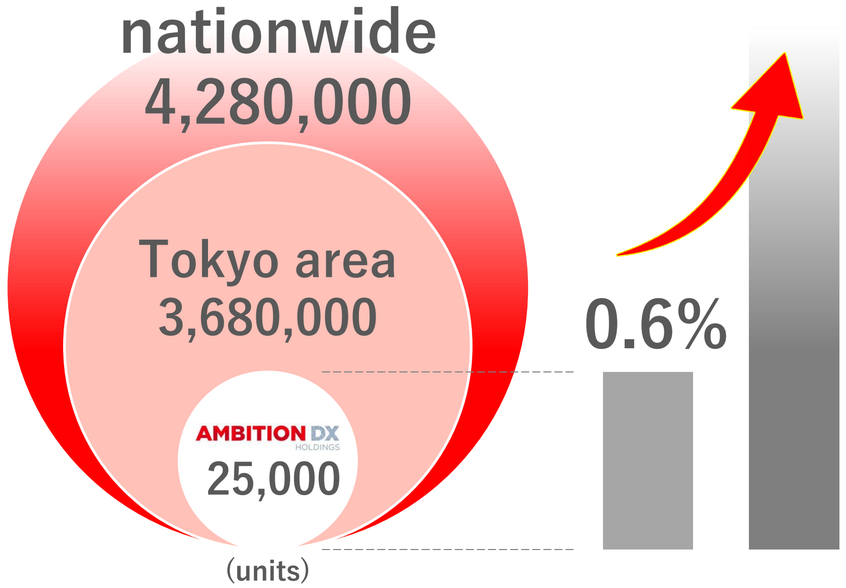
■Even higher value of experiencing room searching is realized for every resident

- In cooperation with clinics which provide healthcare/medical services, **online healthcare services** become possible via LINE app.
- Doctors who have professional knowledge hear about patients’ (residents’) conditions in detail. and offer their advices and treatments.
- Residents can make medical consultations and have checkups from where they are, **without the need of visiting hospitals and clinics**.
- with doctors is realized vis smartphones **Real-time communication** and tablets.
- Time and labor for visiting clinics can be saved, so it is also excellent as a **preventive measure against infections**.
- Residents can make use of medical services even when they need to refrain from going out, thus reducing their burden.

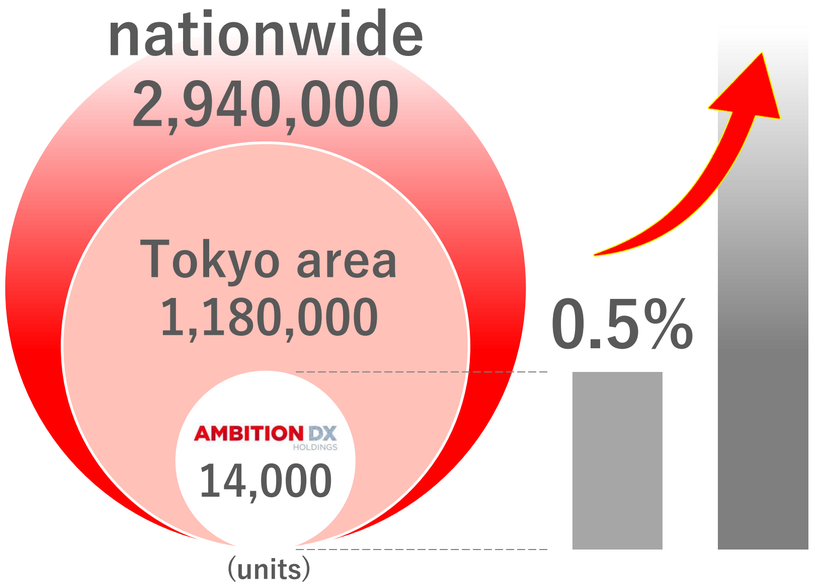
Our growth potential

Promising market (Tokyo metropolitan area) with potential for further growth

Outsourced management*1



Subleased*2



Points of the market

- The Company targets principally at outsourced management / subleased properties markets around Tokyo area
- These markets have potentials for further growth due to continuous concentration of population in central Tokyo
- The Company remains focused on obtaining new properties above the industry's average

*1 MLIT: *Suggestions for the future of rental housing management industry* (draft)【Related materials】
*2 MLIT: *Suggestions for the future of rental housing management industry* (draft), calculated based on the percentages of registered business entities in Tokyo and surrounding three prefectures

Environment surrounding our target markets

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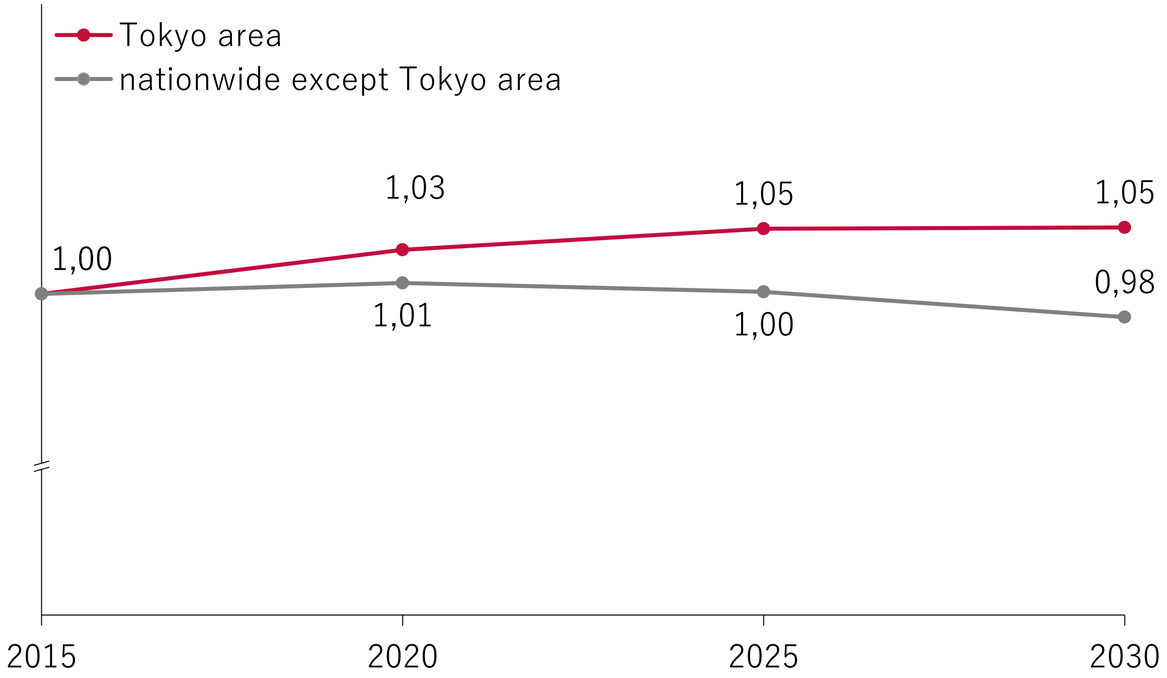
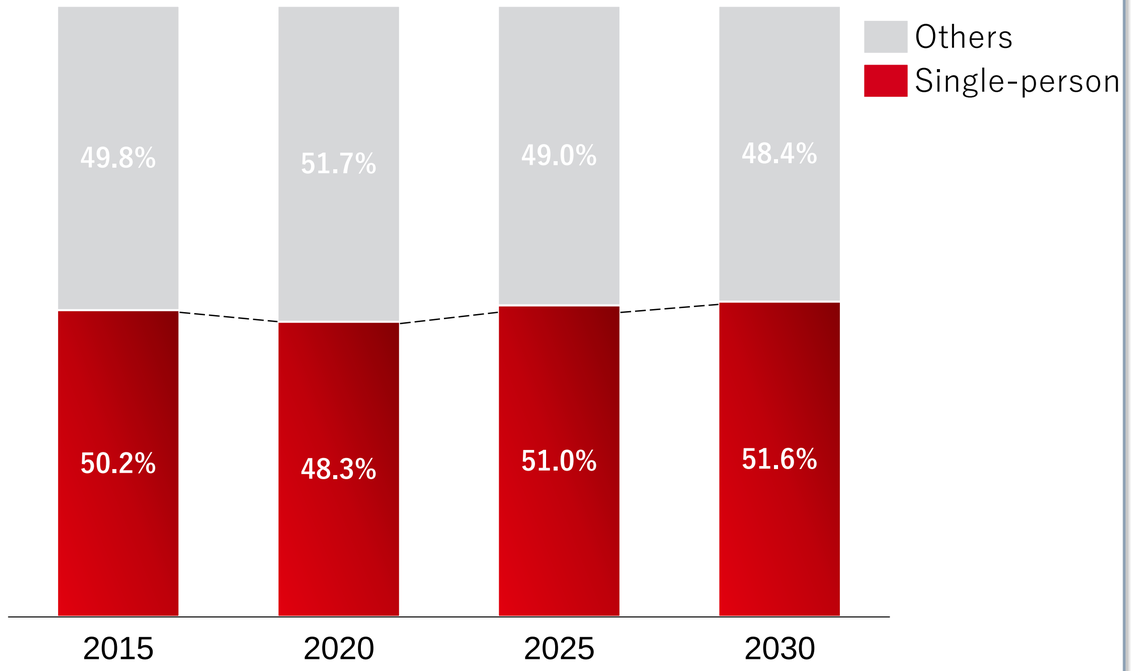
The Company has advantages for the market of “Tokyo area × single room” which has great potential for further growth

In the principal Tokyo area (including surrounding three prefectures), households will increase

(Trend of numbers of households nationwide and in Tokyo area, assuming the number in 2015 as 1[*1])



In Tokyo, single-person households will continue to increase



*1 National Institute of Population and Social Security Research, *Future population estimates by region in Japan* (2018)
*2 Tokyo Metropolitan Government, “*Future Tokyo*”, Strategies/Appendix, Future Population of Tokyo (Oct. 2023)

【Leasing DX】

Leasing Brokerage Business

Undertaken by AMBITION AGENCY, VALOR*, as well as AMBITION RENT and AMBITION PARTNER

* On July 1, 2023, “VALOR Co., Ltd.” was renamed to “AMBITION VALOR Co., Ltd.”

FY06/2023: Actual results

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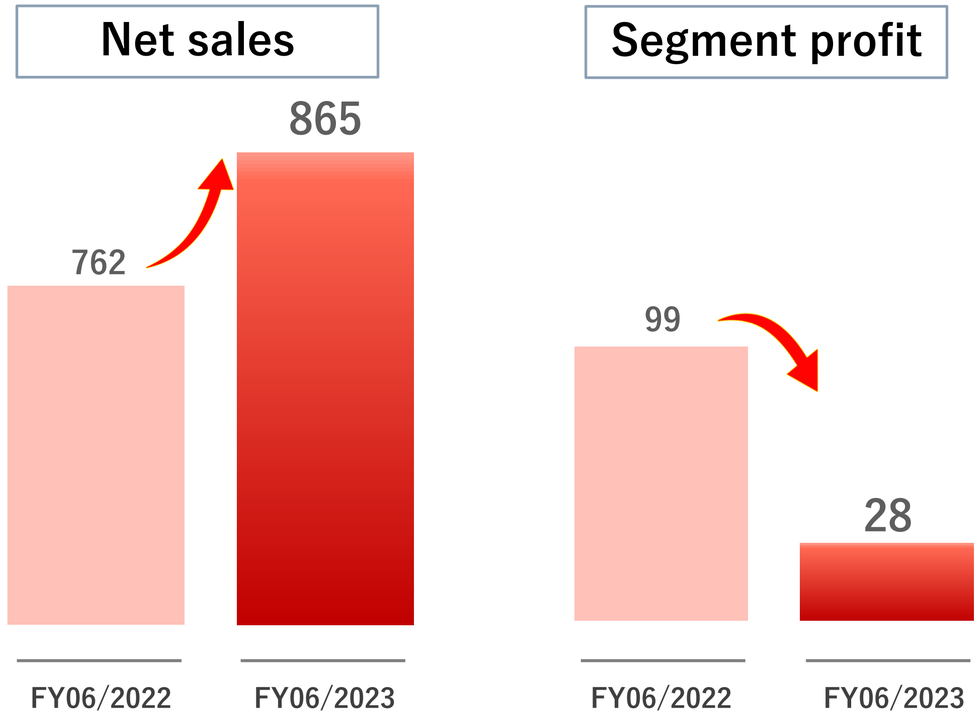
Higher revenues / Lower earnings

(mil. yen)	FY06/2022	FY06/2023	+/–%	+/– amount
Net sales	762	865	13.5%	102
Segment profit	99	28	-71.1%	-70

(mil. yen)



【Factors of higher revenues】
- Sales staff was augmented
- Utilizing the AIxRPA tool named “RAC·TECH” led to increase in responses and topline growth

【Factors of lower earnings】
- Reinforcement of advertising strategies
- DX investment
- HR investment

【Features】
- Under the trade names of “ROOMPIA” and “VALOR” (respectively run by AMBITION AGENCY and VALOR which are subsidiaries), 18 shops in total are run: 9 in Tokyo, 8 in Kanagawa Pref. and 1 in Saitama Pref.
- High leasing ability of this segment contributes to the high occupancy rates maintained by the principal Property Management Business

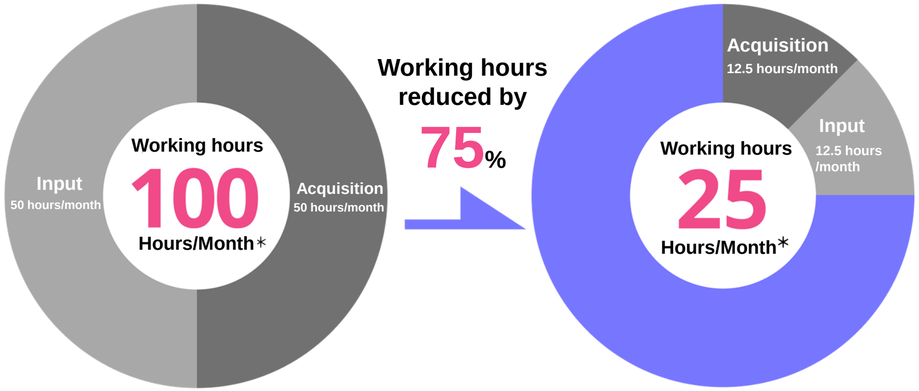
AIxRPA tool “RAC-TECH”

Conventional manual work of inputting properties information could be automated by AI × RPA

Operational process through to posting properties information

Past	Viewing	Manual selection	Manual inputting	Photo-taking	Posting on ad media	Vacancy check
AMBITION DX	Auto-collection by RPA	Selection by AI	Auto-input by RPA	Image-recognition by AI	AI Posting on ad media	AI Vacancy check

ラクテック RAC-TECH Auto-input



* Assuming 15 pieces of information in a day, and 20 days per month

ラクテック RAC-TECH Auto-input

Services for consumers (Room concierge)

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Numbers of both users and contracts increased

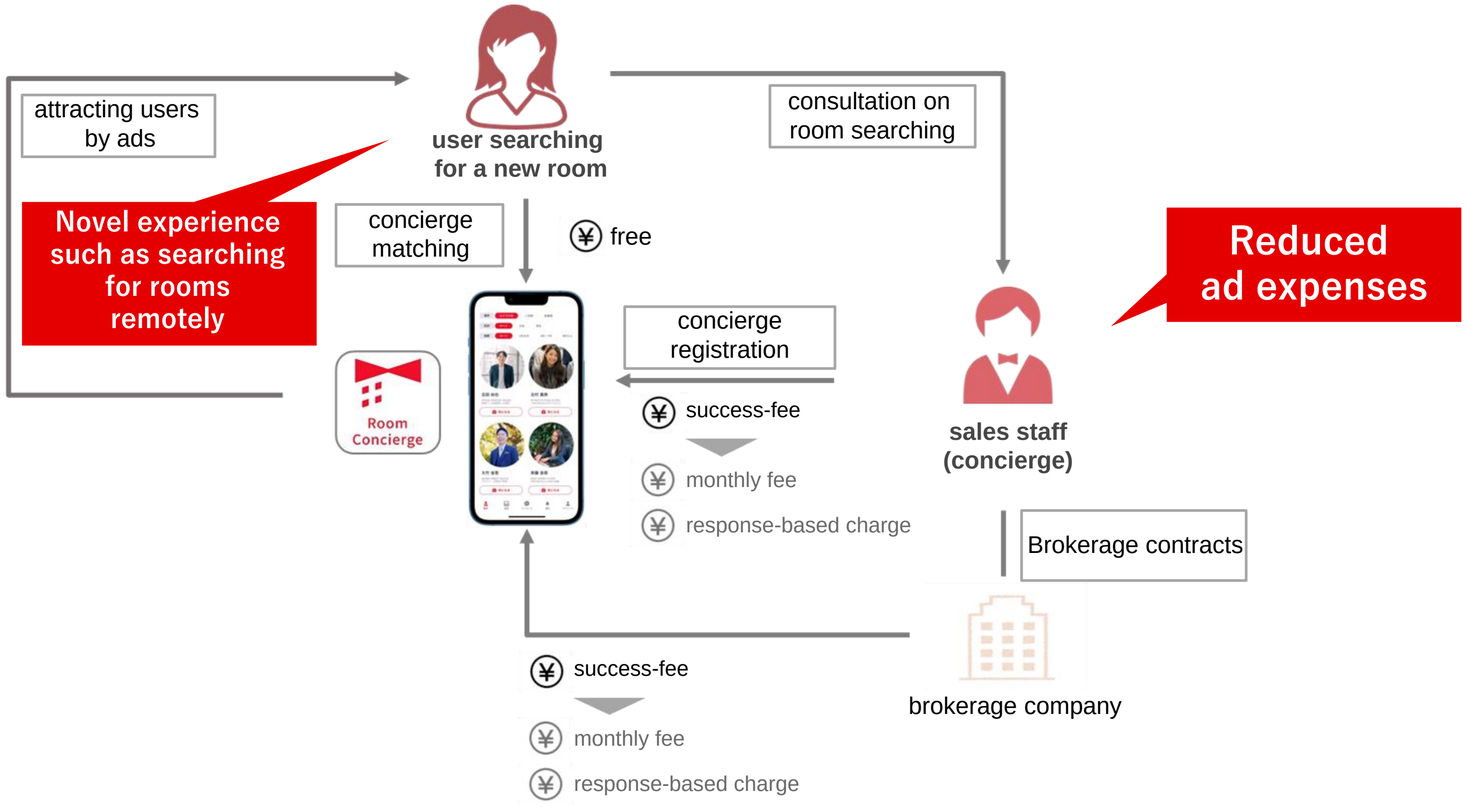
Matching application which connects users searching for new rooms with a room concierge (sales person for real estate brokerage)

“Room Concierge”



improved UI/UX





Numbers of downloads and room concierges are increasing!

Novel experience such as searching for rooms remotely!

【Sales/Purchase DX】

Investment Business

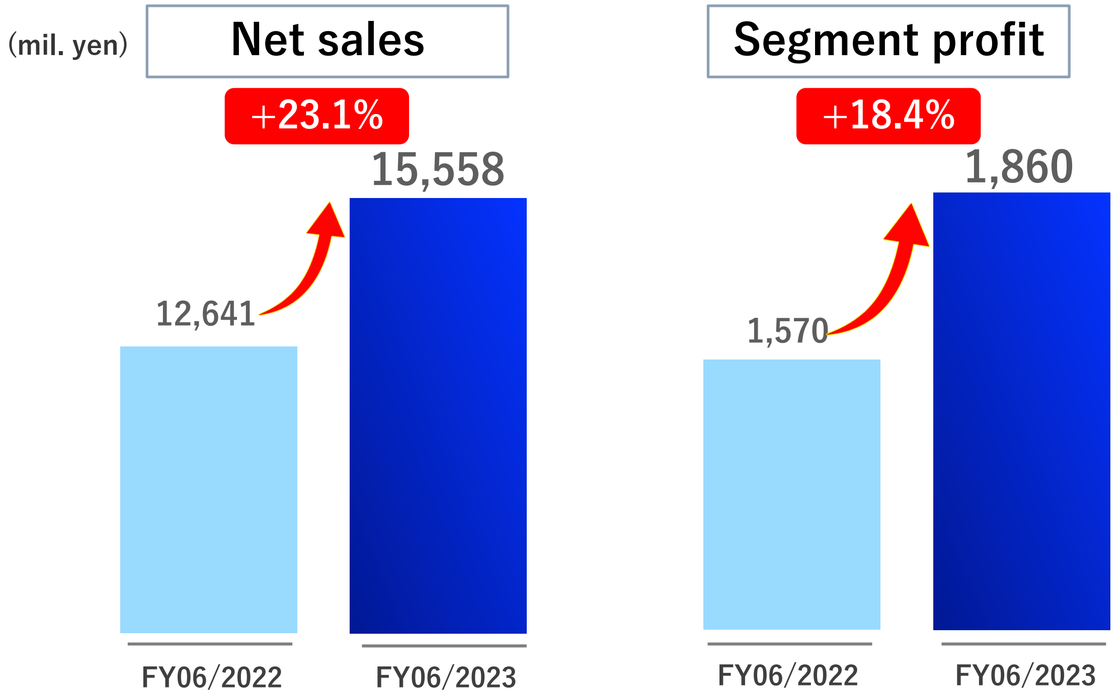
Undertaken by VERITAS INVESTMENT and by Investment Division of the Company.

FY06/2023: Actual results

AMBITION DX HOLDINGS

Higher revenues / Higher earnings

(mil. yen)	FY06/2022	FY06/2023	+/–%	+/– amount
Net sales	12,641	15,558	23.1%	2,916
Segment profit	1,570	1,860	18.4%	289



- VERITAS INVESTMENT (subsidiary) sold 278 houses (+31 YoY)
- Investment Division of AMBITION DX HD sold 105 houses (–1 YoY)

【Features】
- Number of houses which were sold is included in the increment of houses under management.

AMBITION's own designers' condominium

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"Location", "Design" and "Facilities specification" enables creation of our premium assets value



Concept	Good location × Modern design
Design	"PREMIUM CUBE" series supervised by famous designers/architects
Examples of specialty designs	■ Security (hands-free key system "Raccess") ■ Automatic lock system with color monitor ■ Flooring (LL40 grade) ■ Door knob (KAWAJUN) ■ Kitchen (gas stove of 3 burners with Si sensors) ■ Cabinet (sliding cabinet with assisting pockets) ■ Kitchen (single lever) ■ Powder room (single lever, twin mirror with storage) ■ Bathroom (archline bathtub, switched ecoful shower) ■ Toilet (washing toilet seat with deodorizing function) ■ Architecture (no sound leakage) ■ Security equipment, architecture, no sound leakage ■ 24-hours ventilation system, bathroom dryer, heating …etc

【Sales/Purchase DX】
Invest Business

Undertaken mainly by AMBITION DX HD and VERITAS INVESTMENT (subsidiary)

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VERITAS INVESTMENT

(consolidated subsidiary)

Our original 【PREMIUM CUBE series】

A “CUBE” consisting of “location”, “design” and “facilities specification leads to creation of premium asset value



Supervised by famous designers and located in premium areas in Tokyo
High rent and high occupancy rates mean high yield rate



Good location
premium areas in Tokyo*

×

Good design
stylish designers’ condominium

*premium areas in Tokyo:
Meguro, Shibuya, Shinjuku, Minato, Shinagawa, and Chuo Wards

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Investment Division

Procurement from diverse routes

RENO AMBITION+ RENO

higher values

BEFORE



AFTER



Incubation Business

Undertaken by AMBITION VENTURES

FY06/2023: Actual results

Since the second quarter consolidated fiscal period of FY06/2022, “Incubation Business” segment,
which was previously included in the category “Other Business”, has been presented as one of the reportable segments.

Net sales **63 mil. yen**
Segment profit **12 mil. yen**

- 11 companies were newly invested
- So far 29 venture companies have been invested, of which 5 have got listed (as of June 30, 2023)

Examples of DX-related investment

Security

【Listed on Mothers in Mar. 2020】
CYBER SECURITY CLOUD
<4493>
【capital tie-up】

AI

【Listed on Mothers in Sep. 2020】
Headwaters
<4011>
【capital tie-up】

Online settlement

【Listed on Mothers in Sep. 2021】
ROBOT PAYMENT
<4374>
【capital tie-up】

Blockchain

【Listed on NASDAQ in Jul. 2023】
Earlyworks
【capital tie-up】

HR

HR CLOUD
【capital tie-up】

Digital marketing

VALUE CREATION
【capital tie-up】

【Real Estate DX】

Other Business

- Real Estate DX Business (Re-Tech RaaS)
- Overseas Systems Business (AMBITION VIETNAM)
- Small Amount Short-term Insurance Business (HOPE)
- ZEH/Utilities Business (DRAFT)

FY06/2023: Actual results

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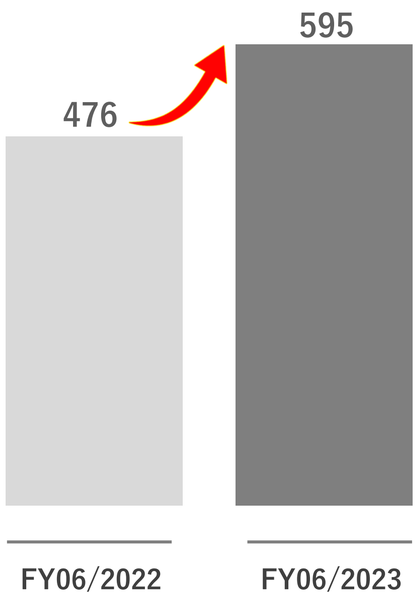
Higher revenues / Improved profitability (smaller deficit)

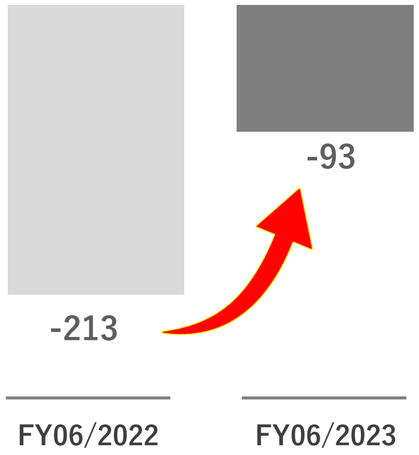
(mil. yen)	FY06/2022	FY06/2023	+/− %	+/− amount
Net sales	476	595	25.0%	119
Segment profit	-213	-93	−	120

(mil. yen)

Net sales



Segment profit



【Real Estate DX Business】
- Next-generation leasing management system “AMBITION Cloud” has been developed by the overseas subsidiary, AMBITION VIETNAM Co., Ltd., and internal DX is promoted on a priority basis. This system realizes much higher operational efficiency and improved productivity for Leasing DX Property Management Business segment.
- Various systems for real estate leasing management operations such as those for contract progress management, repair management, and offering management are in full operation.
- The Company also started to provide its unique electronic signature system named “AMBITION Sign” which utilizes blockchain (distributed ledger) technologies.
  It enables customers to execute contracts easily on their smartphones or PCs while doing video conferences with salespersons. Moreover, with respect to highly confidential information about real estate contracts, by utilizing blockchain (distributed ledger) technologies, information leakage/alteration is prevented and robustness is reinforced such as preventing impersonation, thereby making it possible to execute contracts in a secure environment.
- Sales of AIxRPA tool named “RAC·TECH”
- Application for searching for rooms named “Room concierge” has increasing number of registered users. (the Group’s first BtoC matching service application)

【Small Amount Short-term Insurance Business】
- Obtained new contracts smoothly
- The system “MONOLITH” realized an entirely paperless process from application through to payment
  Higher efficiency in procedures between customers and agencies was realized, leading to increase in the number of contracts
- “MONOLITH” helps integration with related services (e.g. insurance companies, management companies)

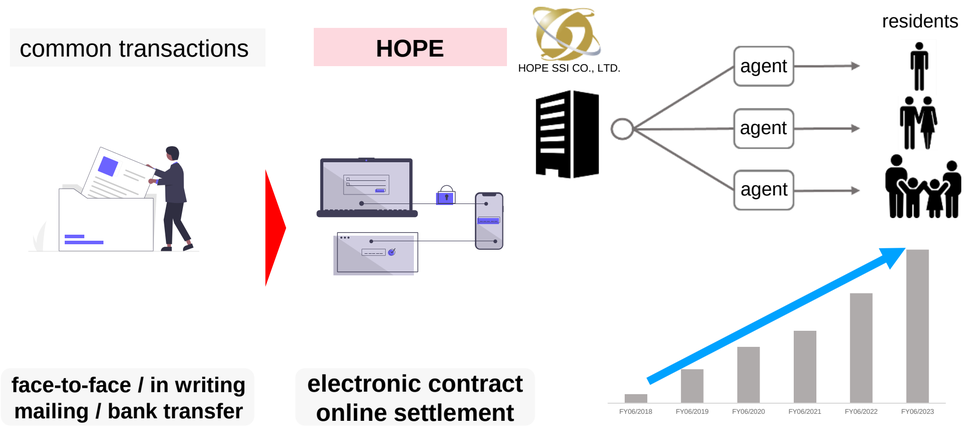
【ZEH/Utilities Business】
- Undertaken by DRAFT Inc., and for the future, its synergies with the Leasing DX Business are anticipated as well

Business activities

Peripheral businesses are rolled out, to ensure stable revenue sources Management resources are maximized through M&A

Growth of Small Amount Short-term Insurance Business

MONOLITH HOPE SSI CO,LTD



Utilities business which has very high synergies with us DRAFT Inc. has been merged and acquired, which engages in ZEH business with high growth potential

【Business synergies】

By integrating customers bases, we can support wider range of customers and improve stability and growth potential of our business

In addition, both existing business and ZEH business provide highly energy-efficient houses

Businesses of both companies supplement each other, and create synergies

【Growth potential of the market】

ZEH (net Zero Energy House) business is a market with more and more growth potential, against the backdrop of elevated awareness of environment and promotion of various government policies

Entering to this market with high growth potential will contribute to business expansion and higher profitability of the Company



Real estate DX is realized in a straightforward fashion

AMBITION DX HOLDINGS

All business operations in connection with real estate are covered in a straightforward fashion

Straightforward / DX promotion

			(Real estate industry)	AMBITION DX HOLDINGS	Real estate development (Developer)	Real estate sales company	Purchase/ Resale company	Leasing management company	Real estate brokerage company
Sales/Purchase DX	Development business	Land acquisition		○ subsidiary: VERITAS INVESTMENT	○	×	×	×	×
		Construction		○ subsidiary: VERITAS INVESTMENT	○	×	×	×	×
		Sales		○ subsidiary: VERITAS INVESTMENT	○	○	×	×	×
	Purchase/Resale business	Purchase/ Sales		○ AMBITION DX HOLDINGS	×	×	○	×	×
Leasing DX	Ownership business	Leasing management		○ AMBITION DX HOLDINGS	×	×	×	○	×
	Brokerage business	Finding customers		○ subsidiary: VALOR subsidiary: AMBITION AGENCY	×	×	×	×	○

Real estate DX provides higher efficiency in the business value chain

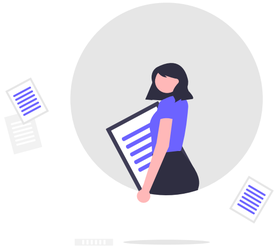
AMBITION DX HOLDINGS

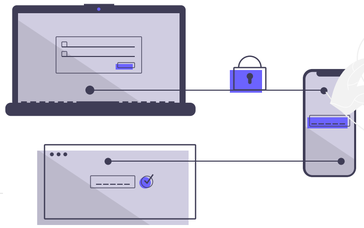
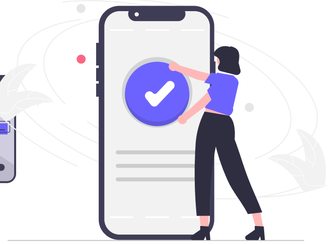
	Purchase /Sales	Leasing management	Leasing brokerage	Insurance	Renovation	After move-in
Past	face-to-face / in writing	face-to-face / in writing	face-to-face / in writing FAX / telephone	face-to-face / in writing mailing / bank transfer	drawings/progress /process are managed on paper/Excel	telephone / paper
AMBITION DX HOLDINGS	AI evaluation + human hybrid management	digital management electronic contract	non-face-to-face electronic contract	electronic contract online settlement	digital management	online







DX is promoted in-house to realize overall optimization

AMBITION DX HOLDINGS

Modernized real estate DX company deploying DX on its own in every field of real estate

DX fields	Conventional real estate company	AMBITION DX HOLDINGS
DX case	Outsourcing (to a tech company) using some products (tools), difficult to lead to solving issues	Deploying hands-on DX in every field of real estate (embodying hands-on issues) with high quality
Operations	Analog	Digital
Documents	Paper	Electronic
Response	Fax, Telephone	Internet
Contracts	Paper	Online
Explanation	Face-to-face	Online explanation on important matters
Preview	Photo, Visit	Perfect preview experience with high-level VR
Properties management	Manual entry	Automatic entry with RPA
	Multiple tools	Single platform (owner / management company / brokerage company)
	E-mail, Paper and fax	Repair & restoration works are also systematically managed
Settlement for properties management	Bank transfer, in cash	Online settlement
Data management	Local server	Cloud
Security	Low robustness	Safe environment with Blockchain
Database	Difficult to digitize	Digitized data are managed
Finding properties	Users search for properties by himself/herself and contact brokerage company	Matching application helps matching a user with a room concierge who finds a room
	Face-to-face customer services	Online customer services

Merger of Re-Tech RaaS Inc.

In order to strongly promote DX and sales activities, management resources should be utilized maximally, then higher managerial efficiency and faster decision-making should be sought

■Objectives of the merger

On July 29, 2019, the Company had established Re-Tech RaaS Inc. as its subsidiary for the purpose of engaging in Robot outsourcing business, AI business and BPO business, but this time it decided to carry out this merger by treating the Company as the surviving company and Re-Tech RaaS as the extinct company, in order to utilize its management resources maximally, then to seek higher managerial efficiency and faster decision-making. Meanwhile, business activities undertaken by Re-Tech RaaS to date shall continue to be undertaken by the Company.

Extinct company	
Name	Re-Tech RaaS Inc.
Address	2-34-17, Jingumae, Shibuya Ward, Tokyo
Established	July 29, 2019
Business activities	Robot outsourcing business, AI business and BPO business
Capital	20 mil. yen
Fiscal year end	June

Surviving company	
Name	AMBITION DX HOLDINGS Co., Ltd.
Address	2-34-17, Jingumae, Shibuya Ward, Tokyo
Established	September 14, 2007
Business activities	Leasing DX Property Management Business, Sales/Purchase DX Investment Business, Leasing DX Leasing Brokerage Business, Incubation Business, Real Estate DX Business, Overseas Systems Business, Small Amount Short-term Insurance Business, and ZEH/Utilities Business
Capital	379 mil. yen
Fiscal year end	June

Section 3

Policies

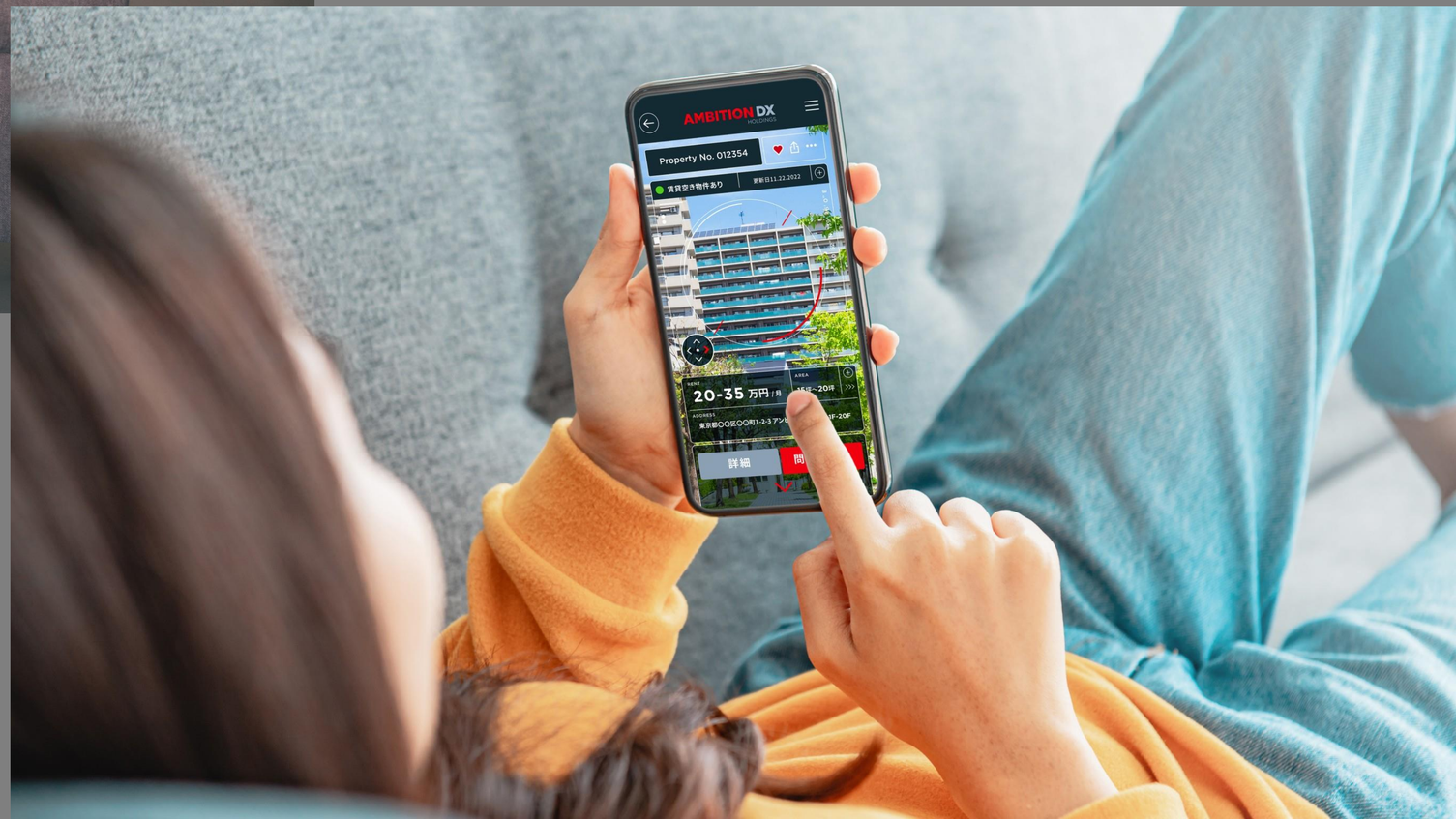
AMBITION DX HOLDINGS Co., Ltd.

VISION

To reform real estate business through DX and become a sole real estate digital platformer which fuses digital and real world together



Perfect preview experience with high-precision VR



Explanation & Contract entirely completed on your smartphone

Framework

To build up a DX platform on which real estate business can be made more efficient in a straightforward fashion, and provide comfortable residence experience

【Sales/Purchase DX】

【Leasing DX】

- AMBITION Sign Advanced leasing management by higher operational efficiency on a paperless basis, such as electronic contract
- More houses managed by individual staff
- Stably continued high occupancy rate
- Maximization of LTV (Lifetime Value) through a loyalty program AMBITION Me

Real Estate Sales/ Purchase
Investment Business

Leasing manage-ment
Property Management Business

Leasing Broker-age

Insura-nce
Utilities
ZEH

Safe and seamless data linkage by utilizing blockchain

- Non-face-to-face sales/purchase contract
- Data management on cloud, such as land prices
- Offering properties via crowdfunding

- Enhanced remote customer service, preview and electronic contract
- AIxRPA tool “RAC·TECH” reduces inputting work
- Data linkage from searching for properties, contract, through to vacating procedures

- Digitally integrated customers bases
- Data linkage in line with workflow
- Paperless operations such as executing electronic contracts

To realize the vision

Policy 01

Business reform by promoting DX

Adding more value to existing business and creating new business

Policy 02

Efforts to discrete business expansion, such as M&A facilitation

Business expansion by promoting M&A and alliance with others, venture investment, etc.

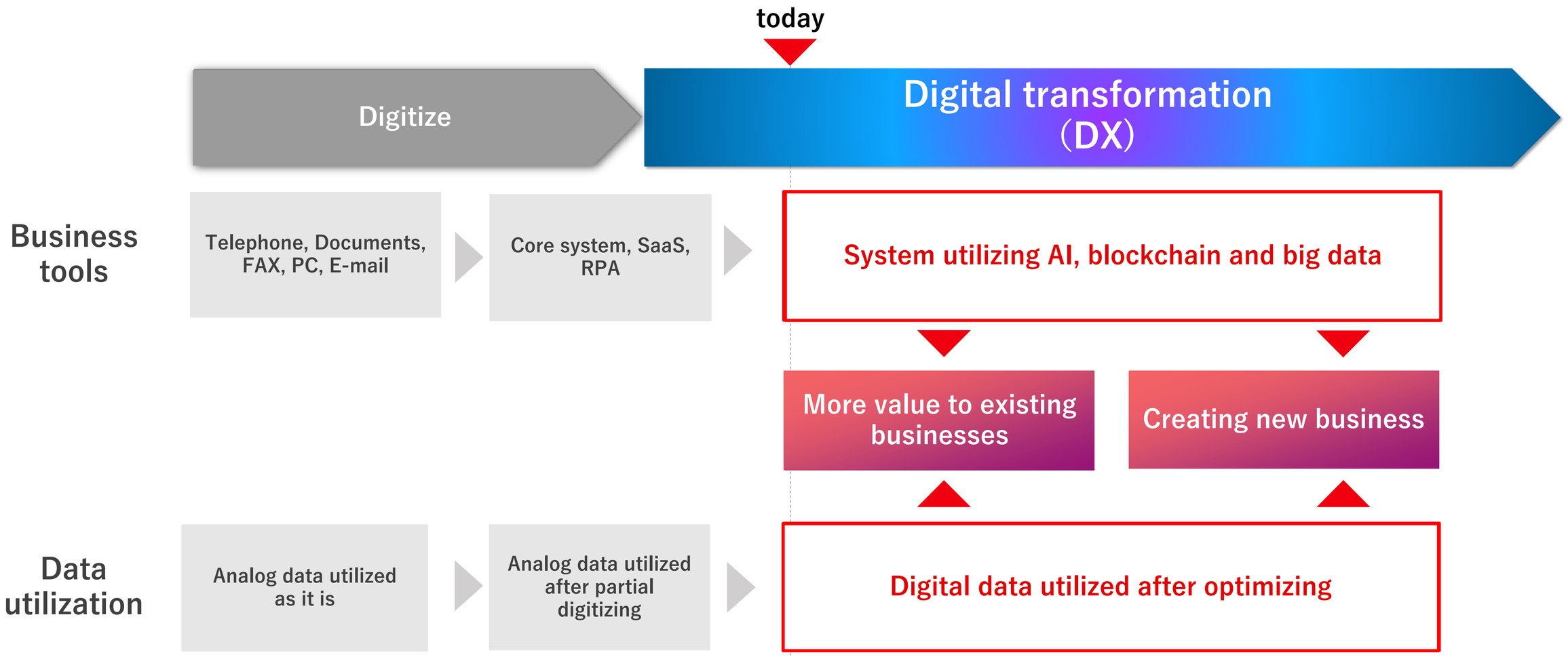
Policy 03

Industry reform by development/sales of novel real estate DX products

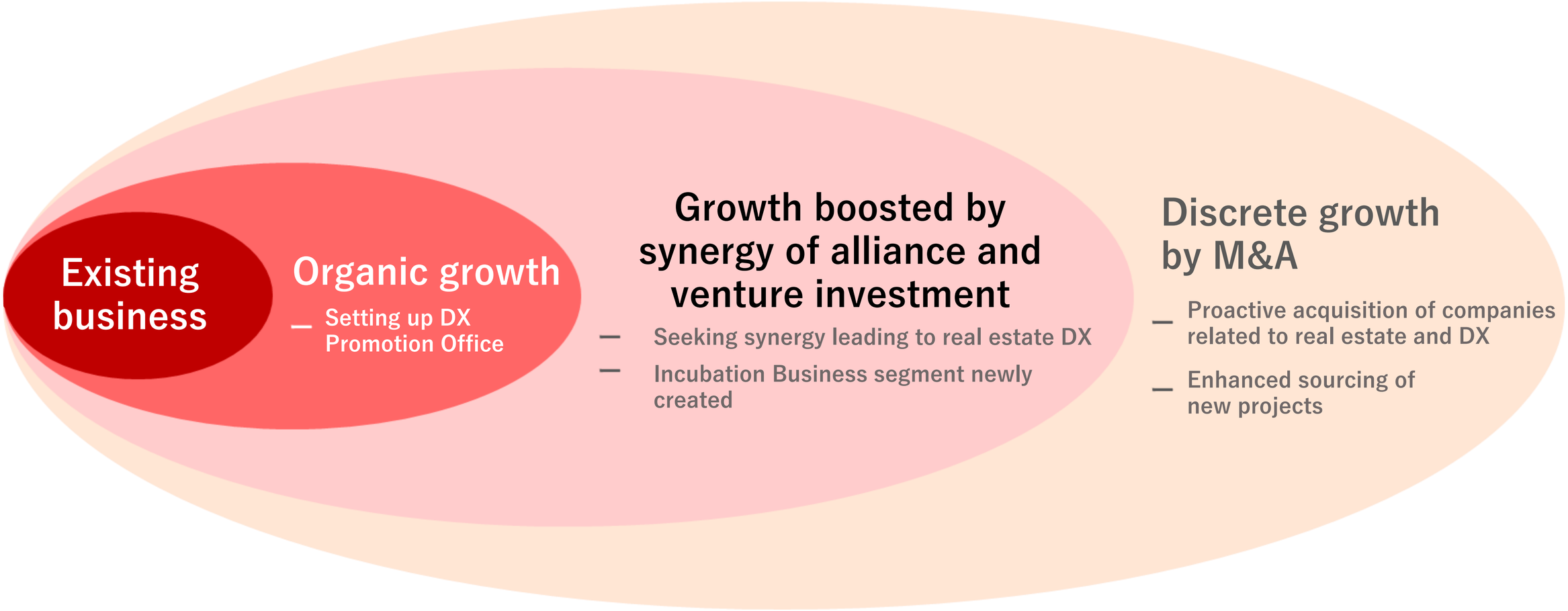
Business reform by promoting DX

AMBITION DX HOLDINGS

Advanced technologies and optimized digital data should add more value to existing businesses, and create new business in the future



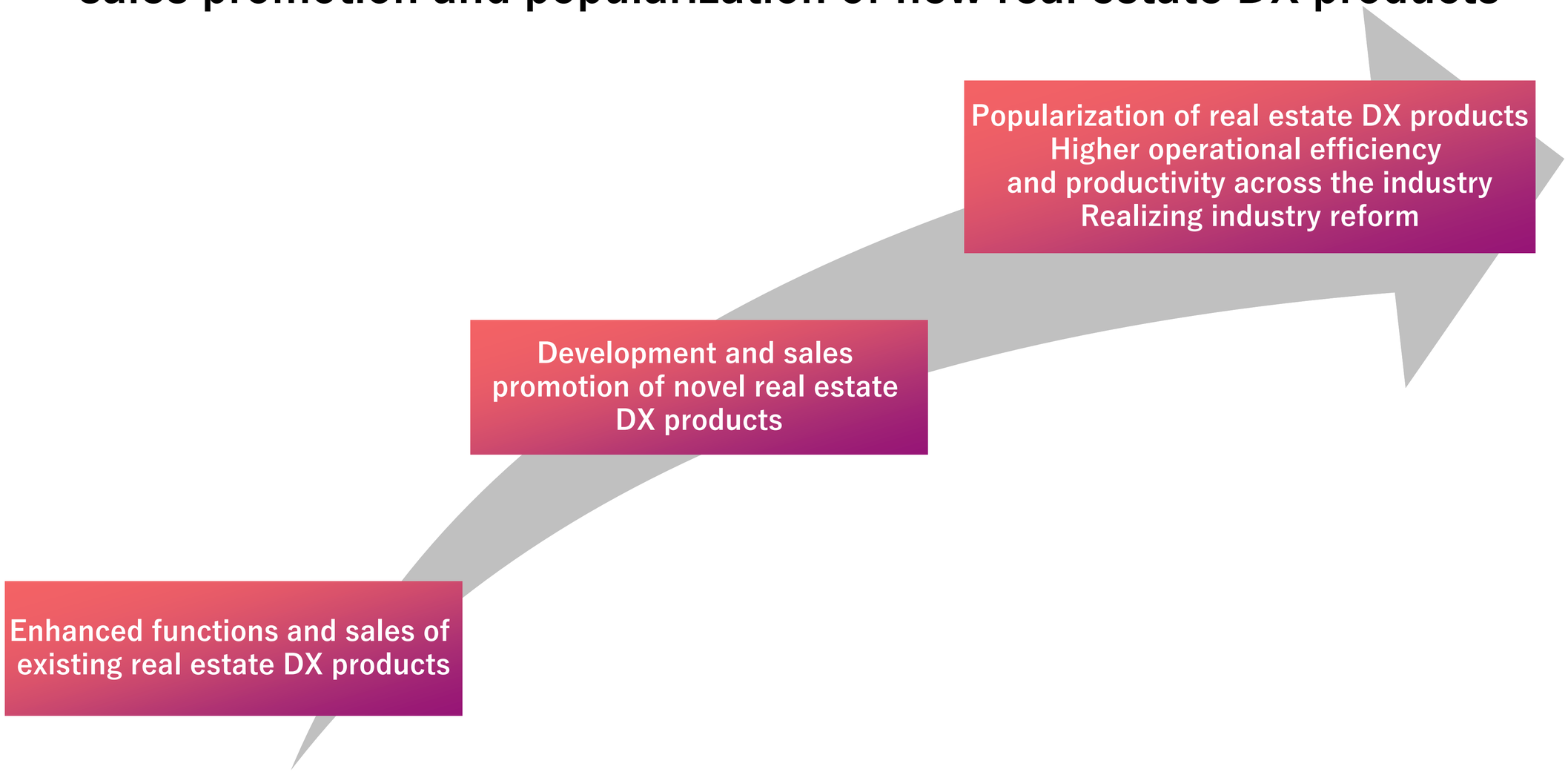
In addition to organic growth, M&A and alliance and venture investment are boosted towards business expansion



Policy 03 Industry reform by development of DX products

AMBITION DX HOLDINGS

In addition to enhanced functions and external sales of existing services in Real Estate DX Business, industry reform should be realized by development, sales promotion and popularization of new real estate DX products



Policies in FY06/2023 and current progress in various measures

Corporate policy of FY06/2023

Reform of existing businesses by promoting DX and growth of Real Estate DX Business

DX measures (FY06/2023)

DX measure 01

AMBITION Cloud

DX system (AMBITION Cloud)

DX measure 02

AMBITION Sign

Electronic contract package:
(online explanation of important matters and online contract)
Brokerage version and Management version started to be distributed

DX measure 03

Room Concierge

Services for consumers (Room concierge):

Numbers of both users and contracts increased

DX measure 04

AMBITION Me

App for residents

Online healthcare services started

Current progress

AMBITION DX HOLDINGS

Now in promotion!

Real estate business reform by AMBITION DX products

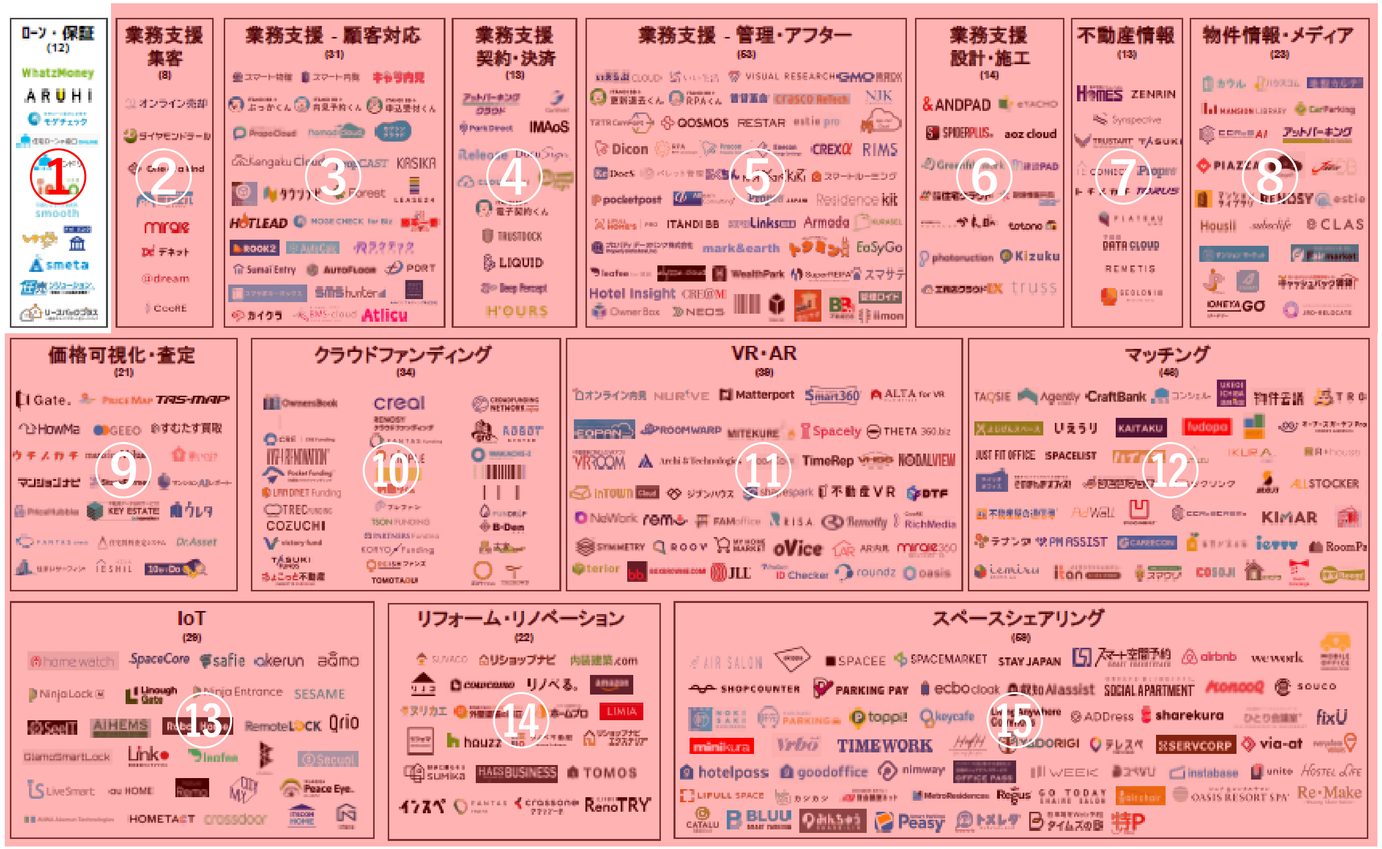
	service name	service overview
B2C	Room Concierge	Matching application which connects users searching for new rooms with a room concierge (sales person for real estate brokerage)
RAC-TECH	ラクテック RAC-TECH Auto-input	【Collective proposal of properties】 Auto-posting tool for properties information which utilizes response prediction by AI and leasing business data
		【Individual proposal of properties】 A tool specialized particularly in highly-demanded functions (RPA: auto-post) among others of main brand
AMBITION Cloud	AMBITION Me	App for residents which realizes improved living experiences through services provided by the consortium
	AMBITION Sign	System which enables explanation of important matters and execution of contracts online
	AMBITION Cloud	【Contract progress management system】 Manages overall process from inquiry through to contract
		【Repair management system】 Manages overall repair management process such as estimation of repair work and recording actual progress
		【Offering management system】 Manages registration/publishing properties information in tandem with New contract management / Vacating management systems
		【Credit management system】 Manages overall debt management process such as management of debt/debtor information, process management for debt collection and management of payment history
		【Vacating management system】 Manages vacating procedure and cost adjustment for restoration to original state
		【New contract management system】 Manages process for commissioned operations such as acceptance/registration/progress management of commissioned matters

DX service areas pertaining to the Company

AMBITION DX HOLDINGS

Real estate DX services are deployed in all 15 areas (except “loan/guarantee”)

Real Estate Tech, chaos map (computerized areas in real estate industry)



NO	15 areas	pertaining to the Company
①	Loan/guarantee	X
②	Operational support (attracting guests)	○
③	Operational support (customer facing)	○
④	Operational support (contract/settlement)	○
⑤	Operational support (management/after-sales)	○
⑥	Operational support (design/construction)	○
⑦	Real estate information	○
⑧	Property information/media	○
⑨	Price visualization/evaluation	○
⑩	Crowd-funding	○
⑪	VR/AR	○
⑫	Matching	○
⑬	IOT	○
⑭	Remodeling/renovation	○
⑮	Space sharing	○

Section 4

FY06/2024 (full term)

Performance forecasts・Dividend forecasts

Performance forecasts (FY06/2024, full-term)

AMBITION DX HOLDINGS

Expecting higher revenues and earnings
Still record-high sales and profit are expected

(mil. yen)

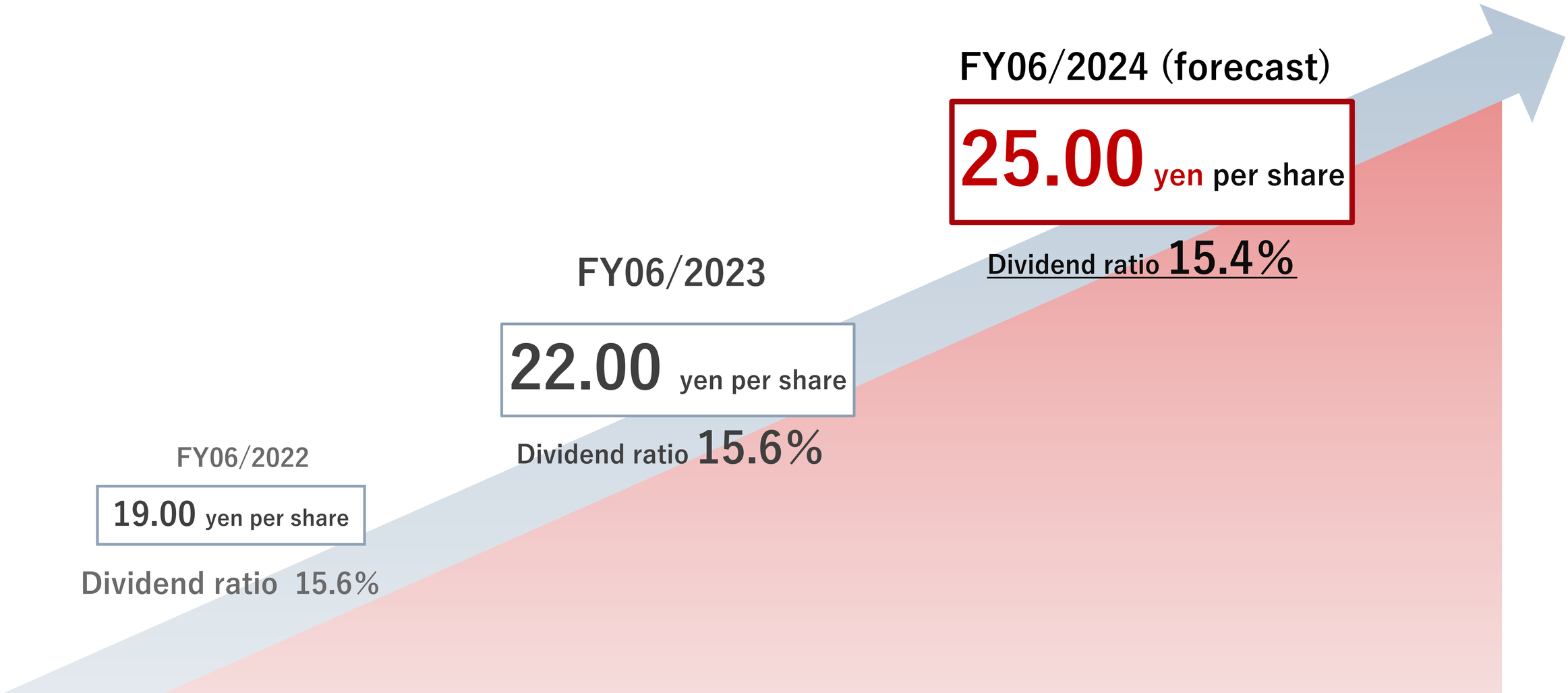
	FY06/2023 Actual	FY06/2024 Actual*	YoY
Net sales	36,239	37,760	+4.2%
EBITDA (for reference)	1,901	2,390	+25.7%
Operating profit	1,603	2,006	+25.1%
Ordinary profit	1,482	1,677	+13.2%
Net profit attributable to owners of parent	961	1,104	+14.9%

* Descriptions about the future such as performance forecasts contained in this document are based on information currently available to the Company and certain presumptions considered to be reasonable, and therefore actual business performance and other elements may differ substantially due to various factors.

Dividend forecasts

AMBITION DX HOLDINGS

The Company intends to continue stable return to shareholders while proactively investing in growing fields.
Dividend increase is expected during FY06/2023, too.



Section 5

Most recent TOPICS

“DRAFT Inc.” joined as a subsidiary

～Growth strategy supported by synergies with existing business～

DRAFT × AMBITION DX HOLDINGS

Living becomes more comfortable, providing utilities commodities to every customer

■Background and objectives of the business tie-up

DRAFT engages in door-to-door sales of commodities relating to daily lives such as electricity, gas, and water-servers, and those relating to housing environment/facilities such as storage batteries, photovoltaics, and EcoCutes; and also provides other partner companies with support for recruiting new graduates.



■Overview of the subsidiary

Established: March 2, 2020
Capital stock: 500 thousand yen
Representative: Yuto Tanaka, Representative Director
Address: 406 room, Primera Dogenzaka, 1-15-3 Dogenzaka, Shibuya Ward, Tokyo
Business activities: Substitute sales activities relating to utilities and energy services, etc.
Net sales during the last two fiscal years:
FY02/2021:　57,083 thousand yen
FY02/2022:　261,540 thousand yen

Real estate industry growing with ChatGPT

- Realization of efficient education and support for role playing -



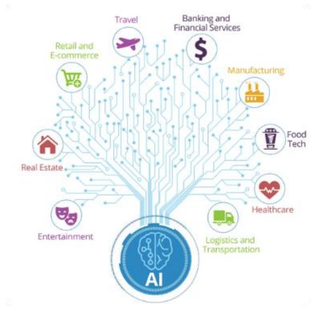
AI technology

ChatGPT is a kind of AI technology based on natural language processing



Feature and ability of ChatGPT

One of the features of ChatGPT is that, not following artificially created manuals and rules, it can understand new information and topic successively in order to update its database by self-learning.



General usage examples

ChatGPT is used for a wide range of purposes such as customer support and negotiation work. By adopting ChatGPT, effects of higher operational efficiency and improved customer satisfaction can be anticipated.



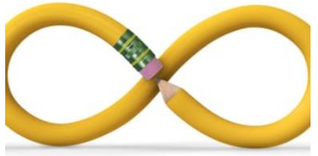
Training new employees

Using ChatGPT, basic principles and policies of a company can be taught to new employees promptly. In addition, it can be used for training in expertise of real estate.



Automatic creation of manuals

By utilizing ChatGPT, knowledge required for real estate business can be organized into manuals. It is useful not only for reducing steps of searching but also for solving problems with labor shortage and advancement of knowledge.



Continuous learning and updating skills

By utilizing ChatGPT, it becomes possible to develop and automate learning plans required for upskilling. Self-updating information about the trade and products is also possible.

VALOR Co., Ltd. which had provided services for room-searching mainly in Kanagawa Pref. was renamed to “AMBITION VALOR Co., Ltd.” on July 1, 2023

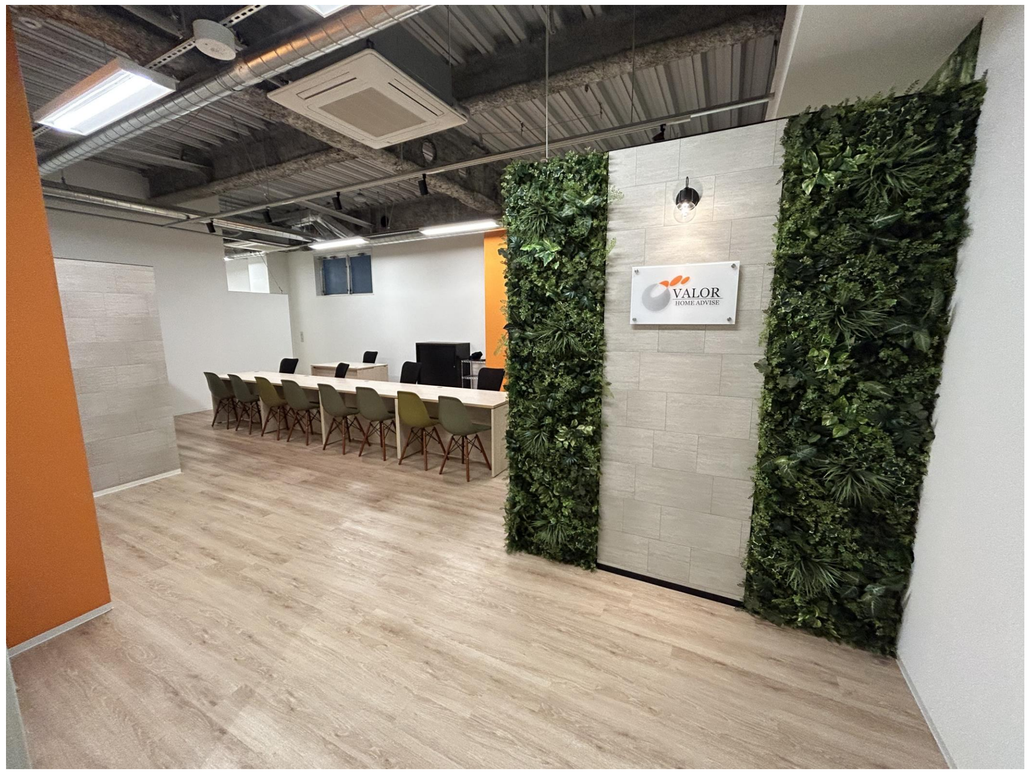
“VALOR Co., Ltd.” which had engaged in our Leasing DX Leasing Brokerage Business was renamed to “AMBITION VALOR Co., Ltd.” on July 1, 2023.

■About VALOR Co., Ltd.

VALOR runs 10 shops mainly in Kanagawa Pref. and provides leasing management services for residential real estates, especially those for room-searching which utilize IT solutions tools such as remote customer services / preview using VR or online, and electronic contracting / IT explanation of important matters promoted by DX.
Currently running 10 shops at Yokohama, Hiyoshi, Kamiooka, Futamatagawa, Yokohama (brokerage), Tsurumi, Yokohama-Okano, Sagamioono, Kawasaki, and Shin-Yokohama, it has worked on its business as a community-based real estate company doing things from its customers’ points of view and always keeping in mind customer services that would stand by its customers’ requests. From now on, too, VALOR will seek to further enhance its services in relation to leasing real estates, which should lead to improvement in its corporate value.

Representative:	Naoto Tamura, President
Established:	November 19, 2002
Capital:	20 mil. yen
Address:	2-1-22, Kitasaiwai, Nishi Ward, Yokohama City, Kanagawa Pref.
Business activities:	Leasing DX Leasing Brokerage Business
URL:	https://www.valor8600.com/

AMBITION VALOR's "VALOR Shin-Yokohama Shop" was opened, which provides services for room-searching mainly in Kanagawa Pref.



VALOR Shin-Yokohama Shop

■Overview

AMBITION VALOR Co., Ltd. has run 9 shops mainly in Kanagawa Pref. and provided leasing management services for residential real estates, especially those for room-searching which utilize IT solutions tools such as remote customer services / preview using VR or online, and electronic contracting / IT explanation of important matters promoted by DX.

So far running 9 shops at Yokohama, Hiyoshi, Kamiooka, Futamatagawa, Yokohama (brokerage), Tsurumi, Yokohama-Okano, Sagamioono, and Kawasaki, it has worked on its business as a community-based real estate company doing things from its customers' points of view and always keeping in mind customer services that would stand by its customers' requests.

Along with opening new Shin-Yokohama Shop this time, we will seek to further enhance its services in relation to leasing real estates, which should lead to improvement in its corporate value.

■Shop information

VALOR Shin-Yokohama Shop
Address: 4F, Shin-Yokohama Arena St. Bldg., 3-7-7, Shin-Yokohama, Kita Ward, Yokohama City, Kanagawa Pref.
Access: 1 min. by walk from Shin-Yokohama Sta. of Yokohama Municipal Subway (Blue Line); 3 min. by walk from Shin-Yokohama Sta. of JR Line, Sotetsu Line, Tokyu Shin-Yokohama Line and Tokaido Shinkansen
TEL: 81-45-900-3461
FAX: 81-45-620-3886

Web3.0 × Real Estate DX
Announced “Capital tie-up with DEA that leads Web3.0”
～Aiming at offering novel user experiences with real estate in the Web3.0 era～

In order to put its efforts to promoting collaboration in the field of Web3.0, the Company decided to enter into business tie-up with Digital Entertainment Asset Pte. Ltd. including capital participation and to evaluate feasibility of Web3.0.

Digital Entertainment Asset Pte. Ltd. × AMBITION DX HOLDINGS

■ Elevated worldwide attention to Web3.0

“Environmental improvement in order for promotion of Web3.0 including usage of NFT (Non-Fungible Token) based on blockchain technologies” was incorporated in the “Priority Policy Program on the Formation of a Digital Society” (Cabinet decision of June 7, 2022), and Web3.0 Study Group was established mainly by the Digital Agency. This would expand possibilities for us to develop new business, leading to accelerated economic growth. In addition, recently worldwide attention to Web3.0 has been elevated. The Company thinks that by making use of Web3.0 also in the domestic real estate industry it would be possible to create new business and living experiences, so that living and business of the general public could be improved. Therefore, the Company decided to evaluate feasibility of Web3.0.

■Adopting a more creative business model is expected

DEA has, since its foundation, been specialized in the field of Web3.0. Services of “PlayMining”, a GameFi platform of DEA’s principal business, started to be provided on May 26, 2020. As of April 2023 it operates in more than 100 countries worldwide and expanded its business scale with users having increased to more than 270 million. In addition, DEAPcoin (DEP) is a Play to Earn token to be distributed for the first time in Japan, and PlayMining has begun to lead the global field of GameFi as the world’s first Play to Earn token economy. Moreover, to date the Company has proactively worked on digital transformation (DX) and as part of such efforts develops and provides new services which utilize know-hows of the real estate industry such as “AMBITION Sign”, the first electronic contract system in this industry that makes use of blockchain technologies namely the core technologies for Web3.0.

In line with this capital tie-up, the Company intends to make use of Web3.0 technologies and provide novel living experiences in the field of real estate DX. This tie-up would enable both companies to utilize their insights and know-hows, leading to some innovation. By considering new services and ways to provide them, such as providing NFT and linking GameFi platform with a range of services for residents, it may be possible to offer living experiences which are much more attractive for our customers. It is expected that this tie-up would drive the entire real estate industry to introduce more advanced technologies and to adopt more creative business models. Recent technological progress brought about big changes also to the real estate industry. Making use of these technologies, such as utilization of Web3.0 technologies and adoption of NFT, makes it possible to provide novel services and values which have not existed in the conventional real estate industry. The Company thinks this would enable us to obtain wider range of customers and to realize higher profitability.

Distribution of “AMBITION Me”, a DX app for residents started

～Immediate contracts for services essential for new life, and experience of comfortable living are realized～

The Company released “AMBITION Me” through which our customers can handle application process easily and smoothly on their smartphones ranging from dedicated services for moving-in to receiving keys.



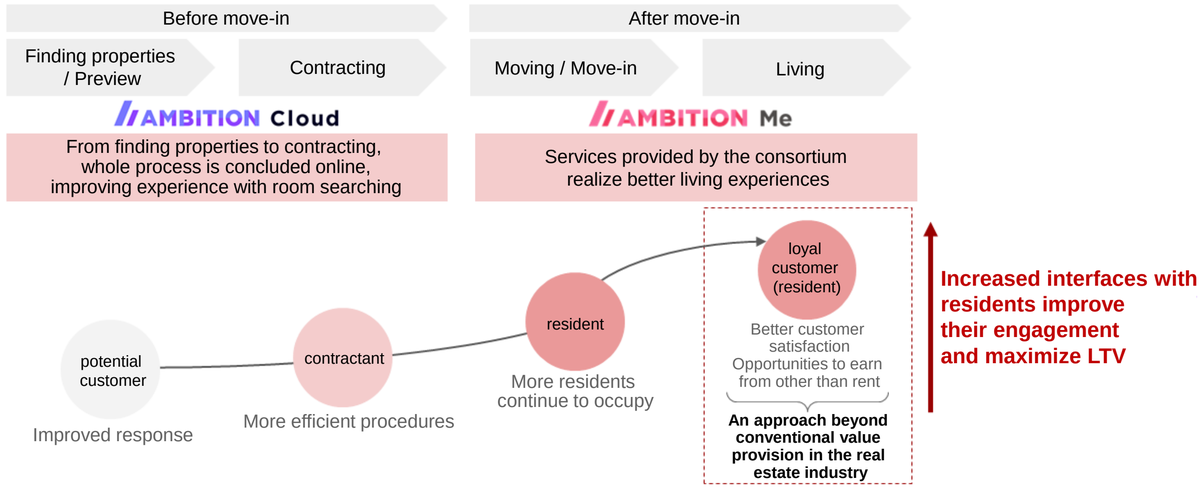


AMBITION Me

■Shift from conventional paper-based contracts to brief contracts on smartphones is realized

Conventionally in the real estate industry when customers moved in to their new rental house, they used to make contacts via telephones and emails, and then apply for a series of procedures from paper-based information. This has made confirming information on a paper basis and a set of procedures for customers extremely cumbersome.

The Company has, in order to solve this problem, developed an app for residents (AMBITION Me) from the viewpoints of our customers. And to realize higher value of experience with room searching, we simplified providing/receiving keys via our customers’ smartphones, thereby making smooth application procedures possible. By further promoting digitization of a set of procedures related to real estate leasing contracts and by realizing greater value of experience with room-searching, as well as controlling unnecessary indirect costs, the Company tries to improve profitability for the industry as a whole.



■For the future, it will be expanded to living infrastructures, insurance and our unique point system

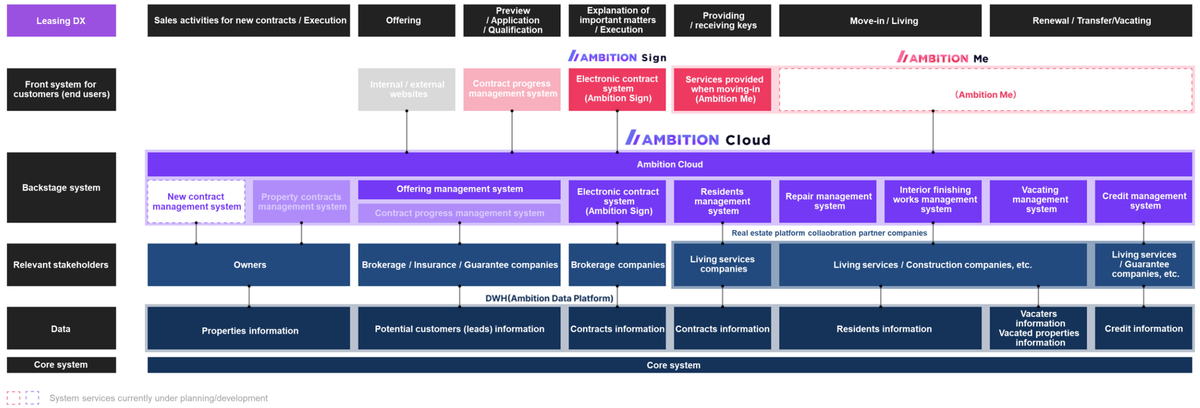
From now on, this app will be expanded to wider variety of smart contracts, such as contract renewal, vacating, communication while living, utilities (electricity/gas/water), and insurance.
In addition, as a loyalty program, residents would be able to use services affiliated with the consortium, get points/status in accordance with their usage / rent payment, and make smooth payments for services via a settlement program and/or in exchange of their points, so that their satisfaction and engagement with us, as well as their LTV (Life Time Value) could be maximized.

Announced the concept of “AMBITION Cloud”, a blockchain-enabled real estate DX

～Secure environment and overwhelmingly high operational efficiency are realized, in order for improved operating profit rate～

The Company has been working on building up a next-generation cloud system for managing real estates named “AMBITION Cloud” that utilizes blockchain technologies for the purpose of bringing about improved lives and businesses of all the people involved, by means of DX.

AMBITION Cloud



■For higher efficiency in the real estate industry to which AMBITION Group belongs, and even higher profit rate

So far, in the complicated real estate industry it has been difficult to implement a centralized management platform for real estate business from the viewpoint of protecting information about customers and external business partners. In this cloud, by ensuring a secure environment through adoption of blockchain technologies it would be possible to facilitate usage of this cloud. Along with promotion of such adoption, efficiency in our business of dealing with comprehensive real estate business would be higher, leading to improved operating profit rate. Also, upon brushing up the product, we will try to ensure new sources of revenues by expanding external sales of this product to the overall real estate industry.

■Unproductive operations in the real estate industry can be solved

At present, many of business operations concerning leasing/management of real estates are irregular, so companies are forced to operate their business in an unproductive manner. In addition, common core systems for real estate industry are at most linkage with accounting data, and it is quite usual that progress management is carried out with scattered information dependent on analog hand-written memos, spreadsheets and verbal explanation. Such a situation has prevented growth of number of houses under management per personnel and hence was a big problem that disturbs improvement in profitability of real estate industry. Amid such a situation, the Company makes use of its know-how on comprehensive practices of real estate industry, puts its efforts to building up next-generation management cloud system named “AMBITION Cloud” which utilizes blockchain technologies aiming at improvement in productivity, and had steadily materialized it. So this time the concept towards further enhancement and current status of its implementation are reported here.

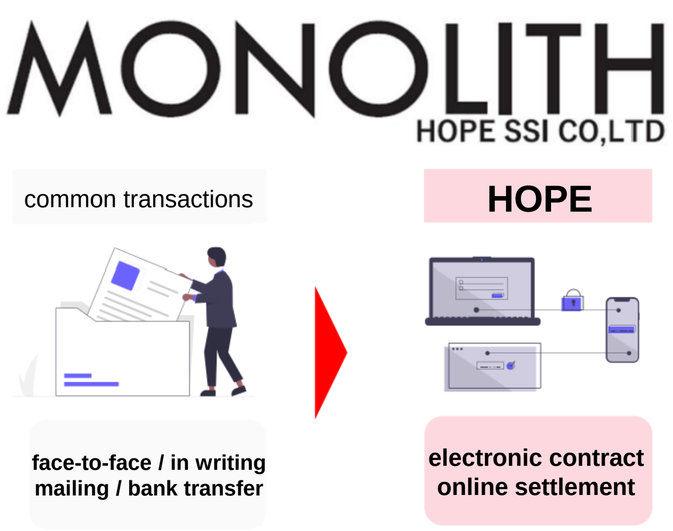
■Utilization of blockchain also realizes secure environment

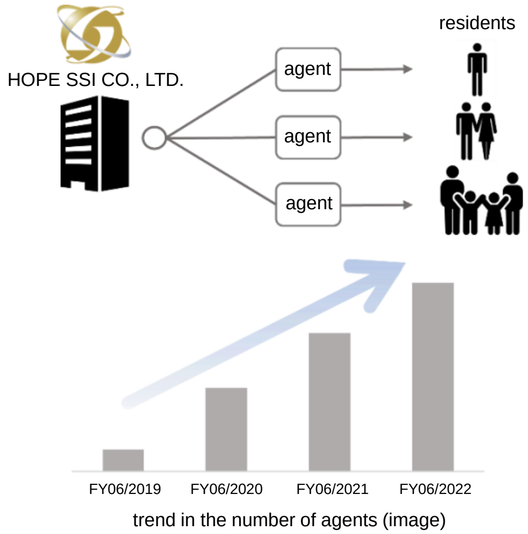
AMBITION Cloud is a platform which utilizes the strength of field interface being the business domain that the Company has fostered over time and the specialty of DX domain based on high-level understanding of system, and is based on a consistent model consisting of an operational arrangement / practice / IT system and a multichannel, which enables seamless on-cloud management on cloud of any and all business operations of real estate industry and stakeholders. By further promoting digitization of a set of procedures related to real estate leasing contracts and by realizing greater value of experience with room-searching, as well as controlling unnecessary indirect costs, the Company tries to improve profitability for the industry as a whole. In order for such higher efficiency, protection of our customers’ personal information becomes a challenge, due to the nature specific to the real estate industry where a lot of entities are involved. So, by utilizing the Company’s unique blockchain (distributed ledger) technologies, transactions of real estate leasing which are even safer for customers will be realized.

Hope Small Amount and Short Term Insurance Co., Ltd. (a subsidiary) made a big progress in the ranking of premium income

～InsurTech contributed to eight ranks higher than the previous year～

HOPE SSI CO., LTD., an InsurTech subsidiary, raised its rank in the 2021 premium income ranking of small amount and short term insurance companies, reaching to a high rank (39th among all companies).





trend in the number of agents (image)

■Contribution to building up another stable revenue base

As a key factor of increased number of contracts, HOPE utilized its unique electronic insurance contract system named “MONORITH” and realized higher efficiency in procedures between customers and service providers, leading to increase in the number of agents to 343.

Functions provided by MONOLITH which are actually implemented include, for example, those for rendering every operation paperless, and for easy completion of application procedures for customers via smartphones and other devices from their homes, workplaces and elsewhere.

Furthermore, increased number of houses under management in the Company’s flagship of【Leasing DX】Property Management Business, and improved ability to attract more residents in【Leasing DX】Leasing Brokerage Business also contributed to increased number of contracts for HOPE. Going forward, the Company still envisions great growth of both Property Management Business and Leasing Brokerage Business segments, and hence at the same time even more increased number of contracts for HOPE can be anticipated. It should be noted that small amount and short term insurance business that HOPE engages in is a stock business in which number of contracts and revenues associated with it pile up year after year, thereby contributing to building up further stable revenue base of the Company.

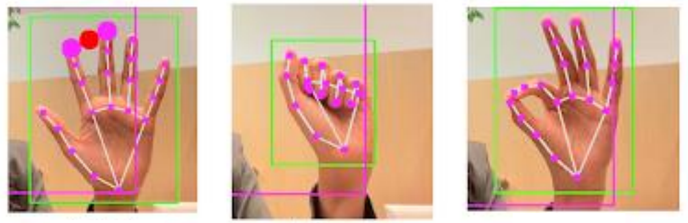
For the future, too, by strengthening seamless linkage by means of InsurTech (digital technologies for insurance industry), the Company will promote DX for the entire real estate industry including insurance business so that greater value of customers’ experiences with room searching and wider range of business partners can be realized.

【About HOPE SSI CO., LTD.】

HOPE SSI CO., LTD was registered with Director-General of the Kanto Local Finance Bureau (small amount and short term insurance) in July 2017 as a subsidiary of the Company. It always challenge as a trusted company which contributes to the society at large by commoditize a variety of new insurance needs such as offering “New Insurance on Reassurance for Home” and “Insurance on Reassurance for Tenants” which cover household belongings for residents of rental housing. Putting emphasis on customers’ opinions and through “Solid compensation” and “Familiar and reassuring services”, HOPE puts its efforts to offering products and services that can realize reassured living.

AI x Real Estate DX leads to “Room-searching realized by Motion AI”

<u>Users can search for properties</u>
<u>from the map displayed on the monitor,</u>
<u>only by moving their palms</u>



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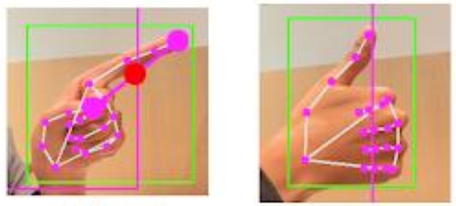

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Motion AI is an innovative technology with a possibility to change the future by fusing artificial intelligence and robotics technology.

The company is doing researches aiming at realization of convenient and comfortable room-searching that makes use of technologies helpful for all the people looking for their residence, including foreigners, elderly people and those with disabilities, without the need of using some device such as mobile phone and PC.

We hope that the world realized by Motion AI and people’s hands will be safer, more convenient and comfortable.

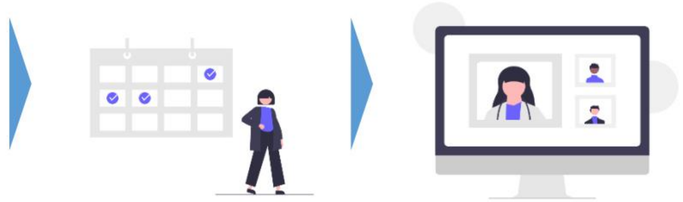


【Online healthcare】services started as a part of “AMBITION Me” (DX app for residents)

～Experience of even more comfortable living is realized for every resident～

AMBITION Me





easy reservation　　online healthcare services

■Even higher value of experiencing room searching is realized for every resident

Seamless linkage with clinics providing common medical services to self-pay patients has been established, such that it is possible to reserve medical checkups within “AMBITION Me” app easily, and then it is also possible to receive online healthcare services easily by making use of LINE app. Thereafter, the doctor who has professional knowledge hears about the resident’s conditions in detail, and offer necessary advices and treatments. Moreover, fast and convenient medical services are realized, which support residents’ health.

These new services in the app for residents allow them make medical consultations and have checkups from where they are, without the need of visiting hospitals and clinics. And without being bothered by traffic inconvenience and constraints of physical fitness, real-time communication with doctors is realized vis smartphones and tablets.

In addition, since time and labor for visiting clinics can be saved, residents can live more comfortably. It is also excellent as a preventive measure against infections, and residents can make use of medical services even when they need to refrain from going out, thus reducing their burden.







AMBITION DX HOLDINGS

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Performance forecasts and future projections such as prospects, plans and targets related to the Company and the Group as presented in this material have been determined by the Company based on such information as practically available at this point.

Forecasts inherently include wide variety of uncertainty, and therefore actual performance may differ substantially from these future prospects.