PROPERTY DATA BANK

PROPERTY DATA BANK

FY2024 H1 Earnings Results Briefing Materials

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November 19, 2024

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PROPERTY DATA BANK

01. FY2024 H1 Earnings Summary

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FY2024 H1 Earnings Summary (consolidated)

Sales increased 26.1% YoY due to sales expansion of solution services and the consolidation of REIVO as a subsidiary.

Operating income increased by 116.9% YoY caused by improvement of sales and gross margin.

Sales	1,563Mil yen (＋26.1% YoY)
Operating Income	432Mil yen (＋116.2% YoY)
Operating Income	430Mil yen (＋116.9% YoY)
Net Profit	290Mil yen (＋114.3% YoY)

※ Rounded down to the nearest million yen

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FY2024 H1 Summary

	FY2024 Plan	FY2024 H1 Results
Property Data Bank	(Sales 3,030Million yen) ■ Continue to appeal as real estate ERP ■ Continue strengthen getting orders for large projects from general business companies	(Sales 1,354Million yen) ■ New customers increased from July to September. “Origin Inheritance” effects positively for the results. ■ Solution projects completed as planned.
Property Data Technos	(Sales 300Million yen) ■ Continue to focus on expanding document management services. ■ Strive to expand businesses that generate ongoing income, such as BPO ■ Collaborate with PDB to expand new customers	(Sales 126Million yen) ■ Continued to develop sales channels for document management services to general companies, then acquired several new customers ■ Acquired new customers in document management service that use @knowledge
Property Data Science	(Sales 300Million yen) ■ Increase sales personnel to expand @commerce sales ■ For Speed ANSWER, enhance its consulting function. ■ Work to expand data science business	(Sales 11Million yen) ■ For @commerce, continuously promoted to develop sales opportunities into projects ■ Participated in exhibitions, etc., then actively acquire lead customers ■ Added electronic file storage function into @commerce
New Service	(Sales 350Million yen) ■ Promote development of new businesses based on PDB-platform ■ Developing AI / Generation AI related services based on SCORER ■ REIVO seeks to strengthen cooperation with PDB ■ Promote M&A and business alliances, etc.	(Sales 77Million yen) ■ Strengthened cooperation with REIVO not only in sales but also in development ■ For Developing AI / Generation AI, we focused on improving @property functionality

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FY2024 H1 Earnings Highlights (YoY)

Sales increased 26.1% YoY due to sales expansion of solution services and the consolidation of REIVO as a subsidiary.

Operating income increased by 116.9% YoY caused by improvement of sales and gross margin.

(Unit : Million Yen)		FY2023 H1 Results	FY2024 H1 Results	YoY
Sales (consolidated)		1,240	1,563	+26.1%
Property Data Bank		810	874	+8.0%
		310	479	+54.5%
Property Data Technos		111	126	+13.1%
Property Data Science		9	11	+17.6%
New Service		–	77	–
Operating income		198	430	+116.9%
Ordinary profit		200	432	+116.2%
Profit attributable to owner of the parent company		135	290	+114.3%

※Rounded down to the nearest million yen ※ REIVO's sales are included in new service.

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Progress Rate against Full Year Earnings Forecast

Sales progress rate of Property Data Bank was almost in line with plan.

On the other hand, subsidiaries and new service were below initial planning.
In particular, Property Data Science could not promote to develop sales opportunities into projects for @commerce.

(Unit : Million Yen)	FY2024 H1 Results	FY2024 Full year Forecast	Progress rate
Sales (consolidated)	1,563	3,980	39.3%
Property Data Bank	874	1,790	48.9%
Property Data Bank	479	1,240	38.6%
Property Data Technos	126	300	42.1%
Property Data Science	11	300	3.7%
New Service	77	350	22.2%
Operating income	430	830	51.8%
Ordinary profit	432	830	52.1%
Profit attributable to owner of the parent company	290	570	50.9%

※Rounded down to the nearest million yen ※ REIVO's sales are included in new service.

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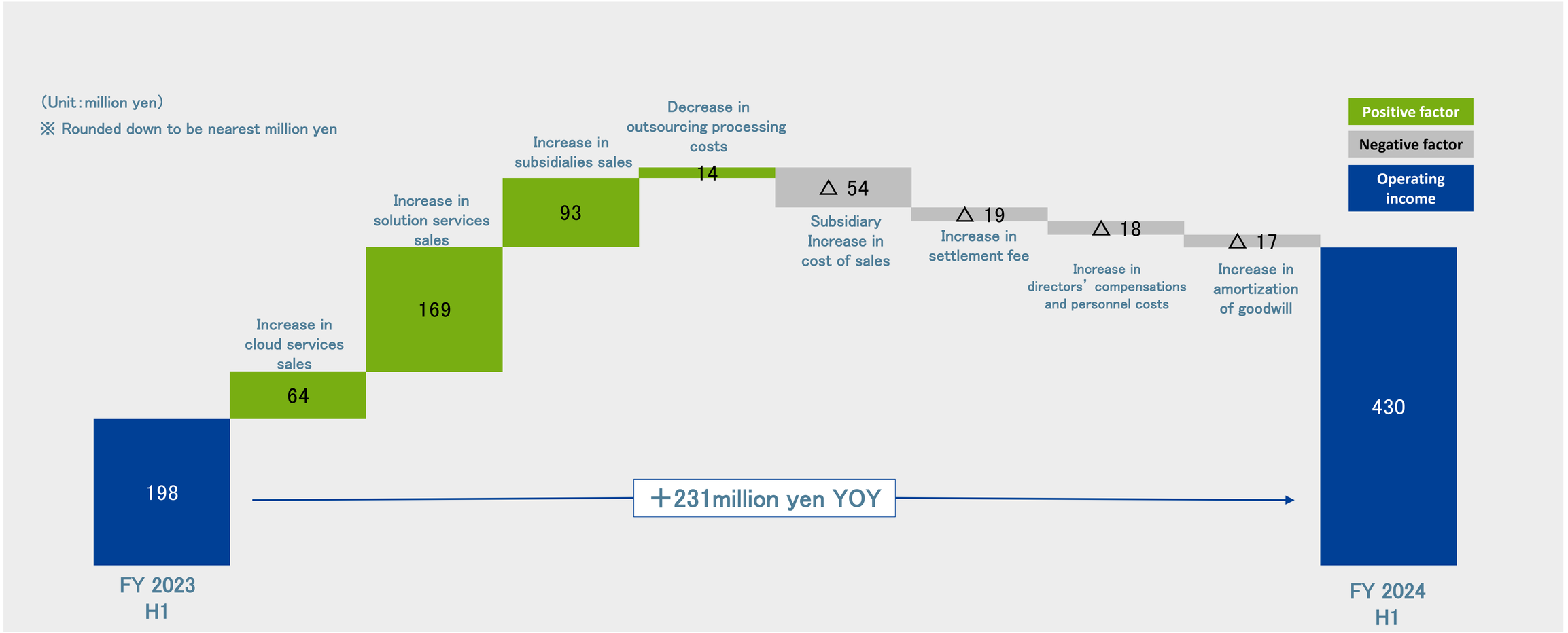
Factors Affecting PDB Operating Income (consolidated)

Due to the increase in sales of solution services and the reduction in outsourcing processing costs resulting from improved project cost management, the gross profit margin improved.
As a result, operating income increased significantly.



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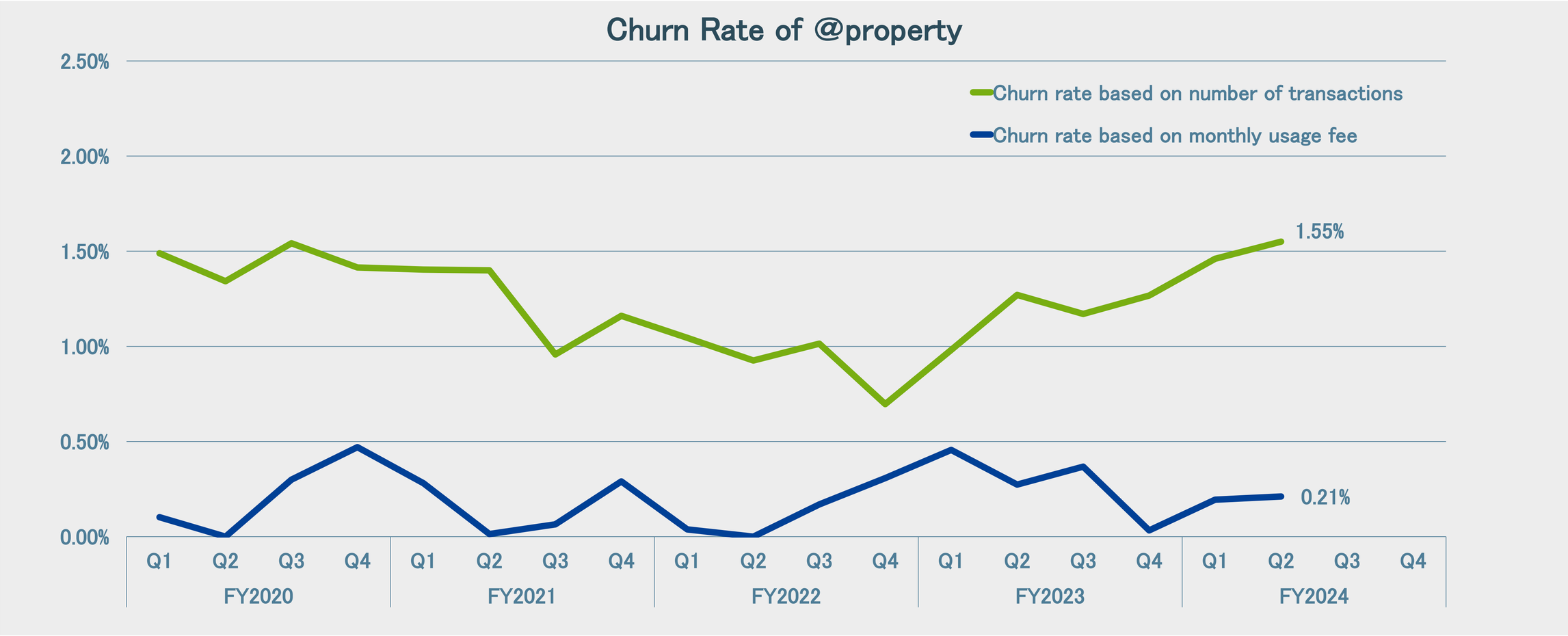
@property Churn Rate

Churn rate based on number of cases is 1.55%, and the one based on monthly usage fee is 0.21%. Customers with low monthly usage fees and who are not making progress in using @property tend to cancel the contract.

Although the impact of these churn is minimal in terms of monetary amount, we will strengthen the follow-up system for existing customers and strive to raise the bottom line of cloud usage fees and reduce the number of churn.



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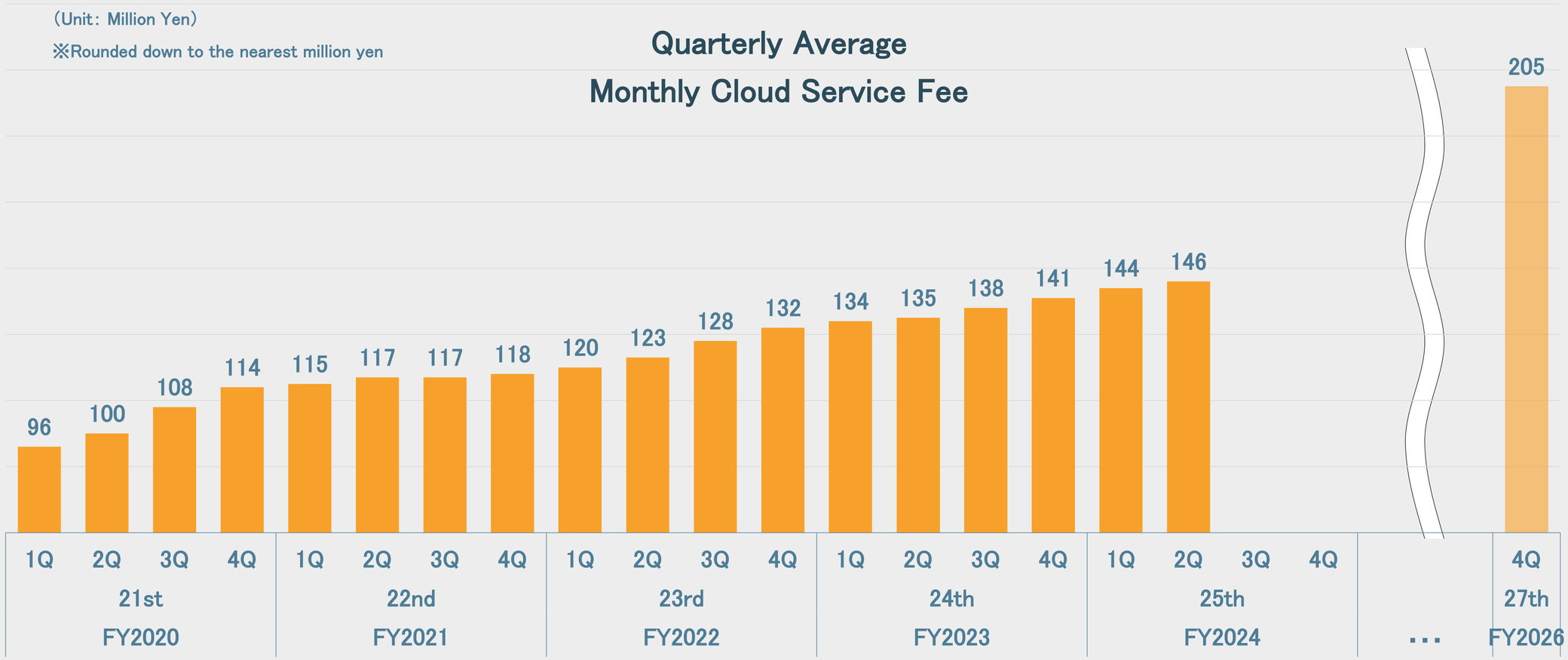
Monthly Cloud Service Fee (Quarterly Average)

Monthly cloud service fee is increasing, but the rate of increase is not enough to achieve the mid-term business plan.

Launch of new services are necessary to achieve the mid-term business plan.

(Unit: Million Yen)

※Rounded down to the nearest million yen



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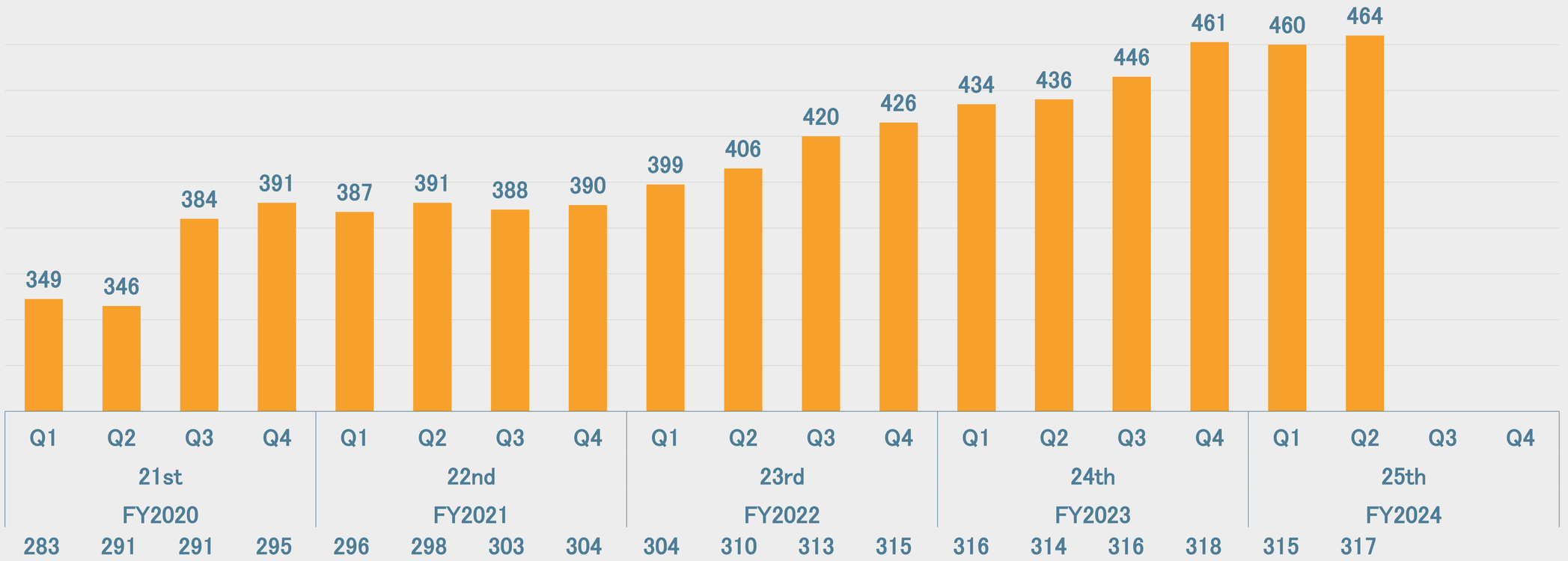
Monthly Cloud Service Fee per Company

Average monthly fee per company continues to increase.

It has been increased as large projects completed. Acquisition of small and medium-sized projects also contributed to expand of average monthly fee per company.

(Unit: Thousand Yen)
※Rounded down to the nearest thousand yen

Monthly Cloud Service Fee per Company



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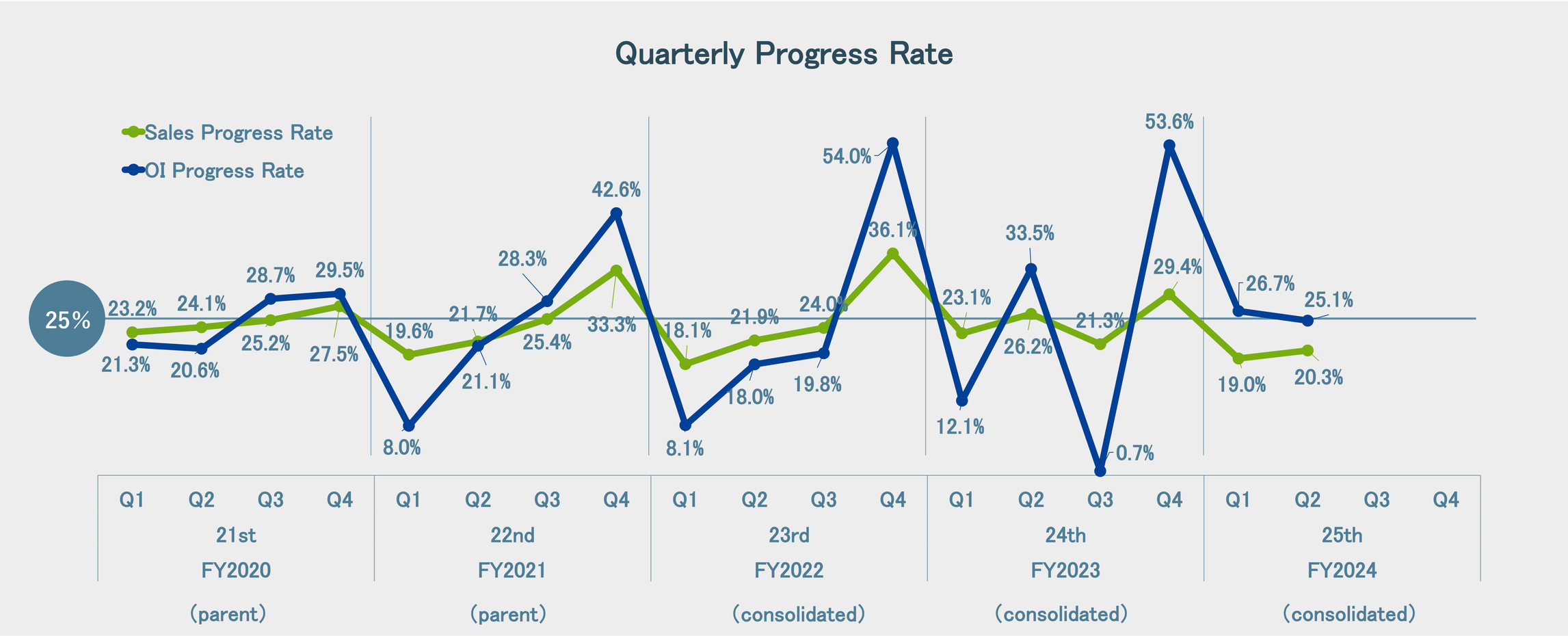
Progress Rate by Quarter

Operating income progress rate is high due to improvement in gross margin of solution services.

On the other hand, sales progress rate is low because subsidiaries and new services are lower than expected.



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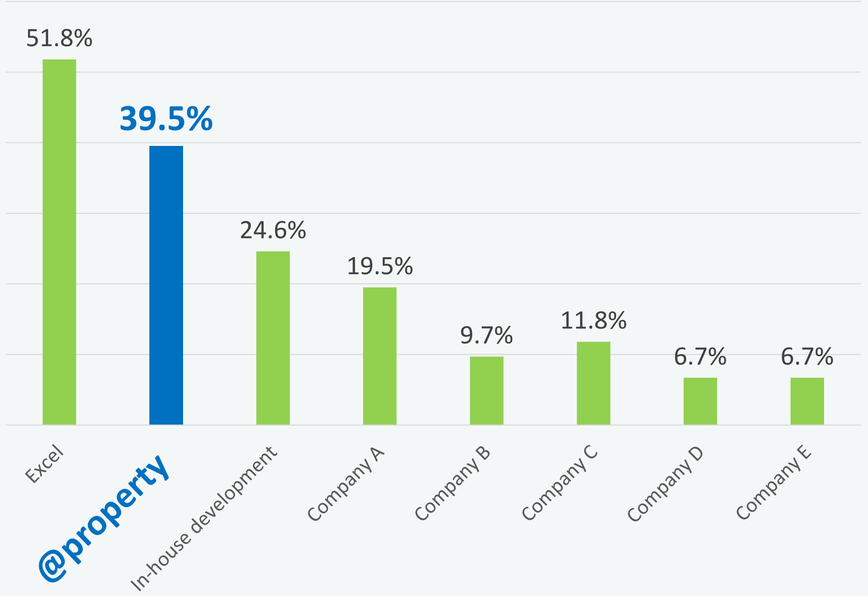
@property Share

@property maintains a dominant market share in the real estate property management field.

Adoption Rate for Main Operation Management Systems



※Source: Monthly Property Management Magazine, November 2024 Issue
"Adoption Rate of Major Business Management Systems" Survey, 2024 Valid Responses from 195 Companies

Within management system used by property management company

Business Management System Adoption Rate No.1※

Market Share

2024

39.5%

- In a survey by the monthly Property Management magazine, @property continues to hold the No. 1 market share as an operations management system.
- More than 800 companies have adopted @property thus far.

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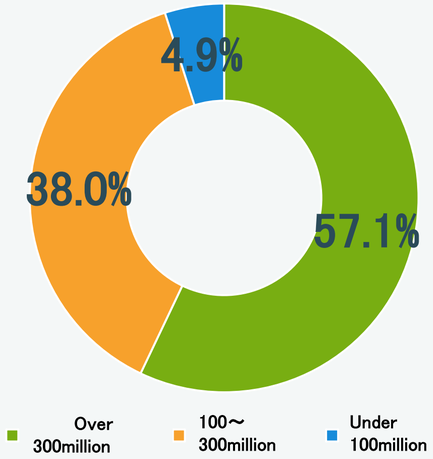
Continuation of large-scale project orders

As of the end of October 2024, the order backlog is 1.5 billion yen, decreased of 300 million yen compared to the end of April 2024.
The reason is that the sales from May to October 2024 was recorded, and that we could not receive order for new large-scale projects.

Order Stock for Large Projects



Order stock of 1.5 billion yen

※ As of October 31, 2024

*Definition of orders: Total value of solution projects that have already been ordered. Regarding large-scale projects, we have secured early-stage orders, and this is the sum of future projects linked to these projects. Excludes items that have already been accounted for.

- Existing large-scale projects are progressing smoothly, and revenue is being recorded from completed phases.
  ⇒ Contributing to increased revenue recognition, but a factor in the decrease of order backlog
- There are inquiries for new large-scale projects, but orders have not yet been secured, and the order backlog has not been built up.

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Initiatives From FY2024 Q3

FY2024 Plan	Initiatives from FY2024 Q3
Property Data Bank (Sales 3,030Million yen) ■ Continue to appeal as real estate ERP ■ Continue strengthen getting orders for large projects from general business companies	(Sales 3,030Million yen) ■ Continuously promote to acquire new customers ■ Continue to strengthen sales of large projects for general business companies
Property Data Technos (Sales 300Million yen) ■ Continue to focus on expanding document management services. ■ Strive to expand businesses that generate ongoing income, such as the BPO ■ Collaborate with PDB to expand new customers	(Sales 300Million yen) ■ Promote switching from DsmartPro to @knowledge ■ Expand projects for general companies ■ Strive to expand “stock” type business
Property Data Science (Sales 300Million yen) ■ Increase sales personnel to expand @commerce sales ■ For Speed ANSWER, enhance its consulting function. ■ Work to expand data science business	(Sales 300Million yen) ■ For @commerce, focus on advertising campaign such as participation in exhibitions, etc. ■ Increase sales personnels and utilize PDB group network ■ Acquire new customers in data science business
New Service (Sales 350Million yen) ■ Promote development of new businesses based on PDB-platform ■ Developing AI / Generation AI related services based on SCORER ■ REIVO seeks to strengthen cooperation with PDB ■ Promote M&A and business alliances, etc.	(Sales 350Million yen) ■ Continue to explore M&A、business alliance ■ Increase collaborative projects and sales cooperation between REIVO and PDB ■ Continue to developing AI / Generation AI related services based on SCORER

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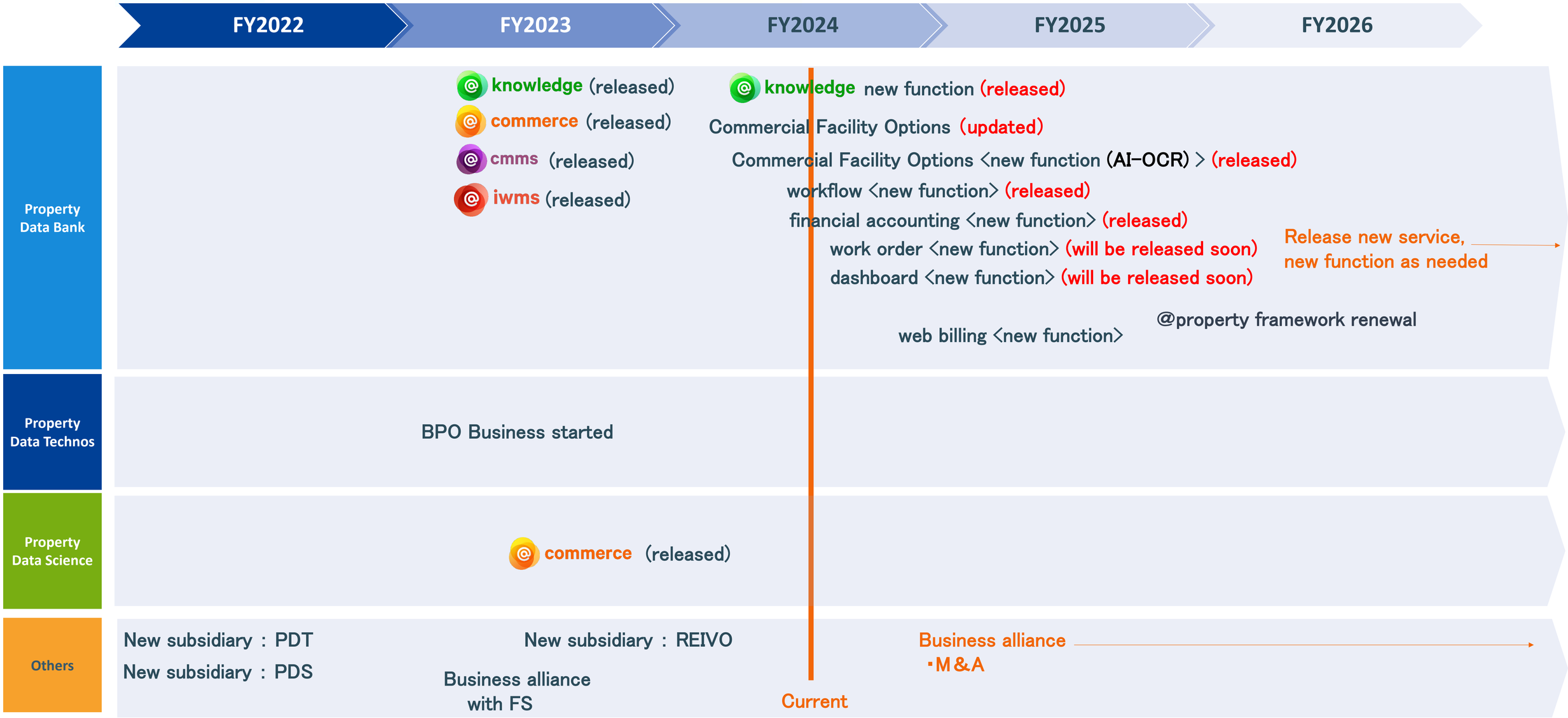
Property Data Bank Group Roadmap



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02. Mid-term Management Plan

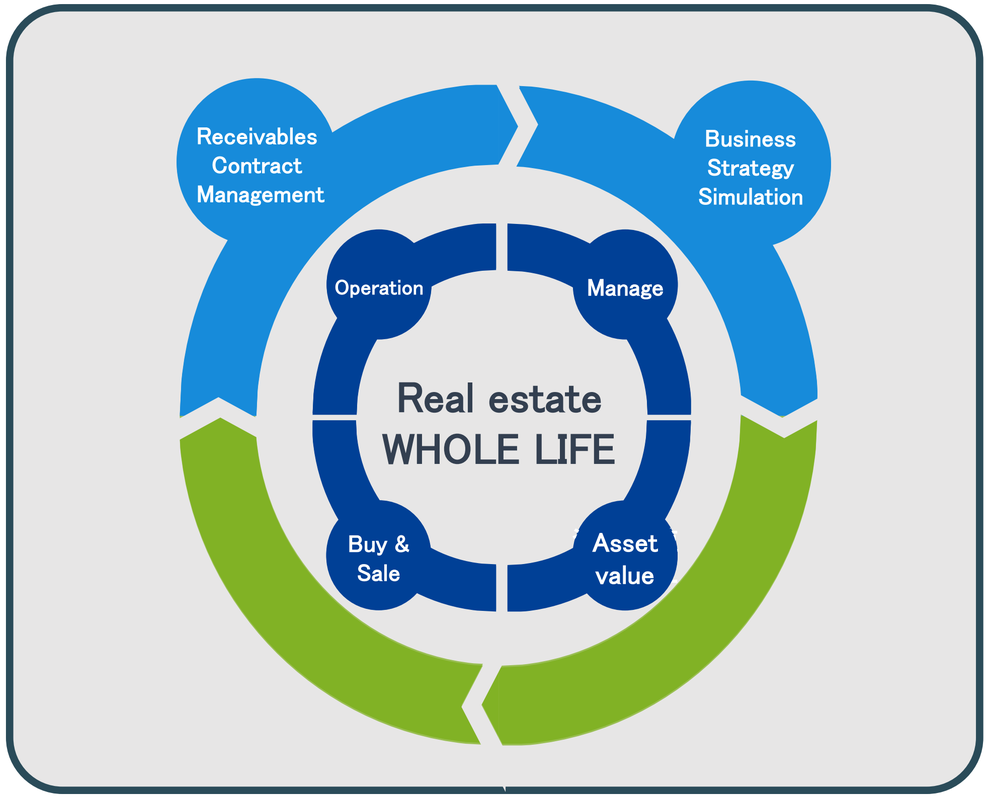
PROPERTY DATA BANK

Property Data Bank Group Growth Strategy

@ Property and Real Estate WHOLE LIFE

Fully covered **real estate WHOLE LIFE**,* which represents the whole life of real estate held by a company and entity, from acquisition, management and operations, and disposal, with @property.
Completion of the PDB-platform, which is attached to a customer's real estate assets for their entire life and supports the business from the very core.
We expand business through synergies with group companies and collaborating companies in addition to renewal infrastructure of @property.

Current @property



@property at last Mid-term year



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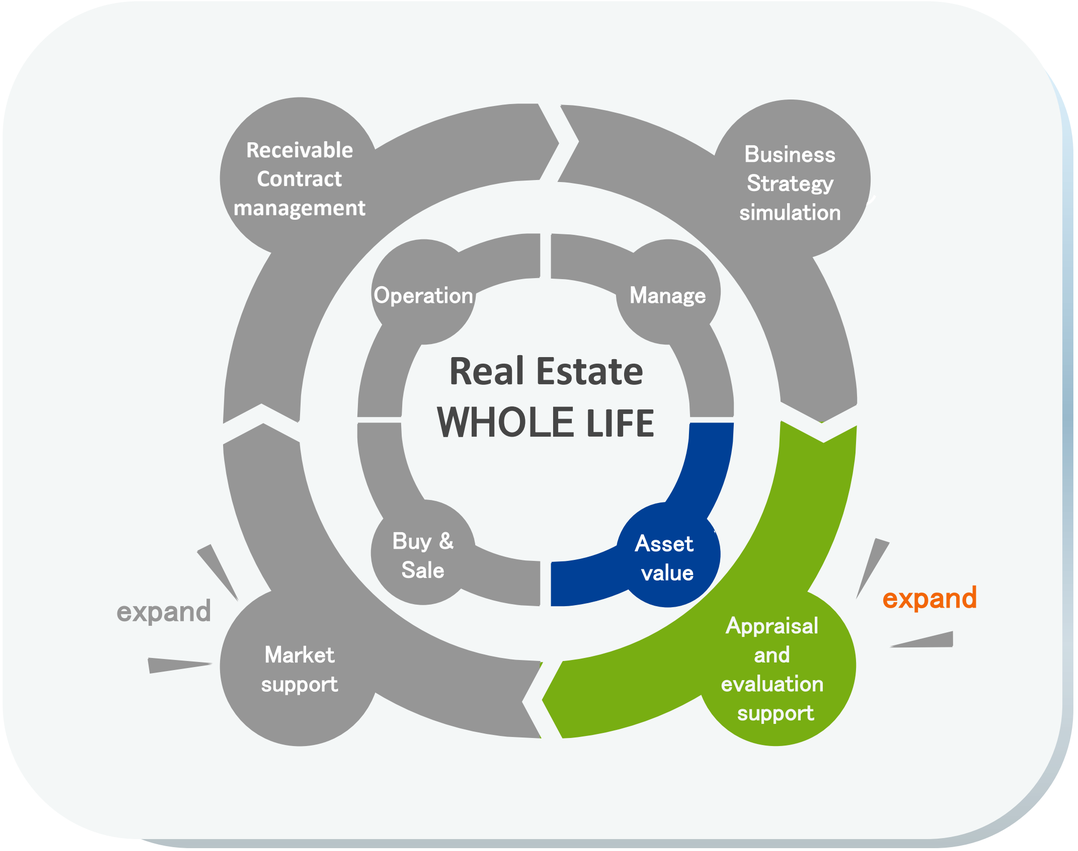
Real Estate WHOLE LIFE Previous Initiatives and Current Expansion

Initiatives to maintain and increase asset value



Propose value added by leveraging @property data

① Leverage real big data within @property
② Build a DX platform to realize one-stop services

In FY2023, @commerce added a function to visualize real estate deals on a map.
We continue to work on utilizing big data and expand PDB-platform to provide new functions.

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Real Estate WHOLE LIFE Previous Initiatives and Current Expansion

Real estate market support platform for companies



Expand real estate market support for corporations

① DX of the exchange of information in real estate distribution
② Supporting the DX of the distribution market from the digitization of real estate documents

In FY2023, we launched our BPO business in Property Data Technos.
In Property Data Science, we launched "Speed ANSWER for web (tentative name)" as "@commerce" to provide a centralized management function from the collection of information related to store openings to operational management after store openings.

In the future, Property Data Technos will continue to expand its document management services, while also striving to expand its BPO business. Meanwhile, at Property Data Science, the sales forecasting function of "Speed ANSWER" will be expanded by utilizing AI.

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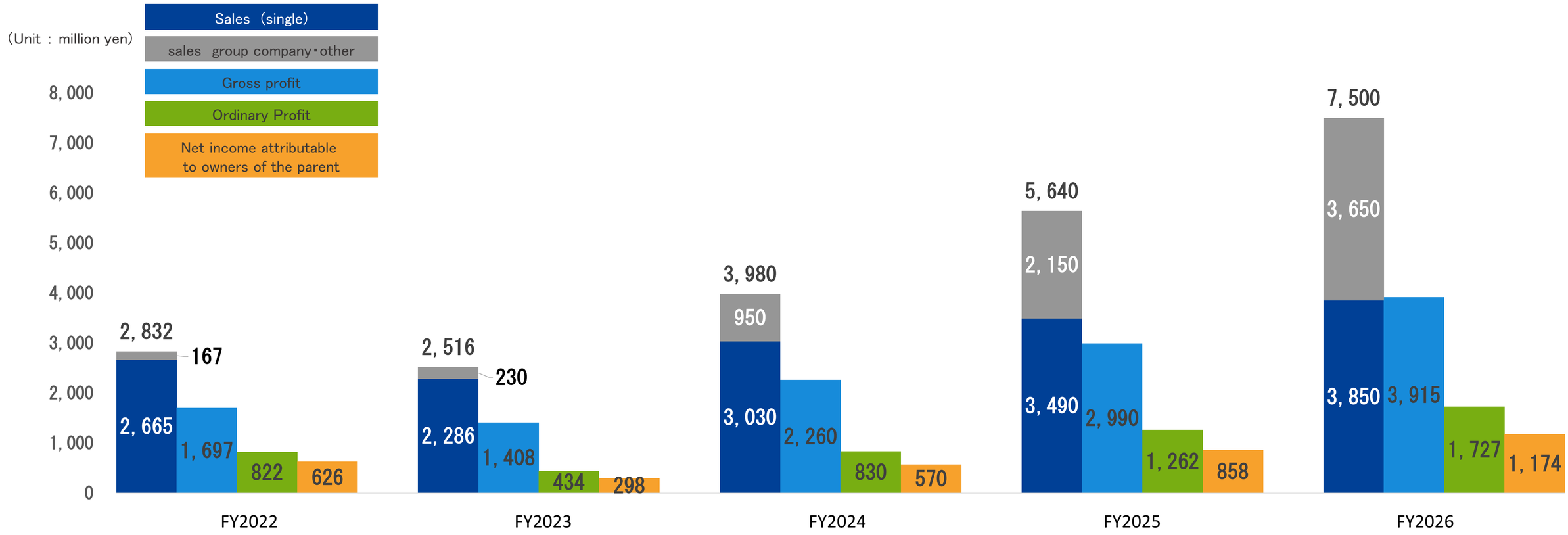
Consolidated Performance Targets

Aim to sales of 7.5 billion yen and operating income of 1.7 billion yen

Continue to record five-year average annual growth of 10% for Property Data Bank.
Key to strong growth is expanding Property Data Science, Property Data Technos, and new services.



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Most important indicator : “Sales” and “Operating margin ”

		Five-Year Medium-Term Management Plan（consolidated）				
		FY2022 (result)	FY2023 (result)	FY2024 (forecast)	FY2025 (plan)	FY2026 (plan)
Total Sales		2,832	2,516	3,980	5,640	7,500
Property Data Bank	Cloud services	1,514	1,650	1,790	2,150	2,460
	Solution services	1,150	635	1,240	1,340	1,390
Property Data Technos		154	215	300	450	650
Property Data Science		14	17	300	700	1,000
New Service		–	-	350	1,000	2,000
Operating margin		29.0%	17.3%	20.9%	22.3%	23.0%

Most important indicator in our mid-term management plan are “ Sales ” and “Operating margin ”

- Our goal is ″expansion of business scale″ and ″financial stability by maintaining profitability”.
- Achieve sales and maintain an operating margin of 20% or higher as KPIs in the current medium-term management plan.
- we plan to maintain an operating margin of at least 20% in the current fiscal year.
- we aggressively invest in new services, advertising, and human resources to expand sales while maintaining operating margin.

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FY2024 Management Policy

Origin Inheritance × **System innovation**

Reaffirming the MISSION and VISION of our establishment period,
then evolving by introducing new systems

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MISSION

″Creating a new knowledge society″

We create the best services in knowledge society beyond the business field with simple data processing and management.
We also believe it is the mission for us to be the leader in the knowledge society by many customers using our service.

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VISION

“Revolutionizing customer operations and Increasing the value of customer’s assets through the aggregation of knowledge”

The value we provide is to transform our customer’ s operations to be more sophisticated and efficient. Our goal is to contribute to increase the value of the customer assets by our unique value. We provide to our customers superior knowledge aggregation and management methods.

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What is “Origin Inheritance x System Innovation”?

As Property Data Bank has supported corporate management with real estate management cloud services, we want to use the knowledge that we have cultivated over many years of experience not only to benefit our own company, but also to give back to Japanese society. In addition to proposing services, we develop services that support decision-making and provide new added value to our customers.

Origin Inheritance

- Spirituality as a public cloud
- One-source, multi-use structure
- Contribute to society through knowledge aggregation services

×

System Innovation

- Service innovation that meets the needs of the times
- Improve solution capabilities to streamline customer operations and improve assets
- Improving product usability
- Innovation of various mechanisms of PDB itself

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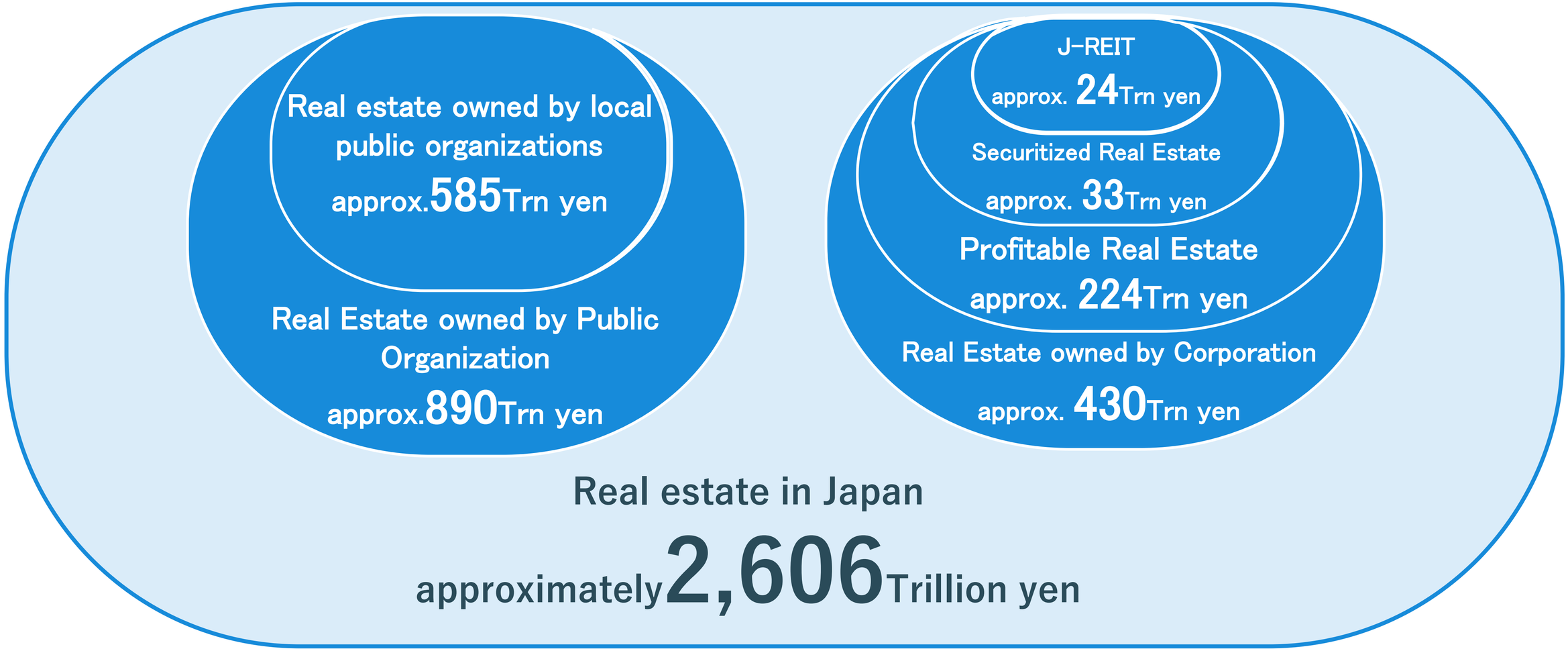
Market Scale

The scale of Japan's real estate assets is approximately 2,600 trillion yen
Our business area (corporate-owned real estate and public real estate) is approximately 1,320 trillion yen



※ Prepared by the Company based on the 11th Roundtable Meeting on Real Estate Investment Market Policies, Ministry of Land, Infrastructure, Transport and Tourism, Source: Document 3.

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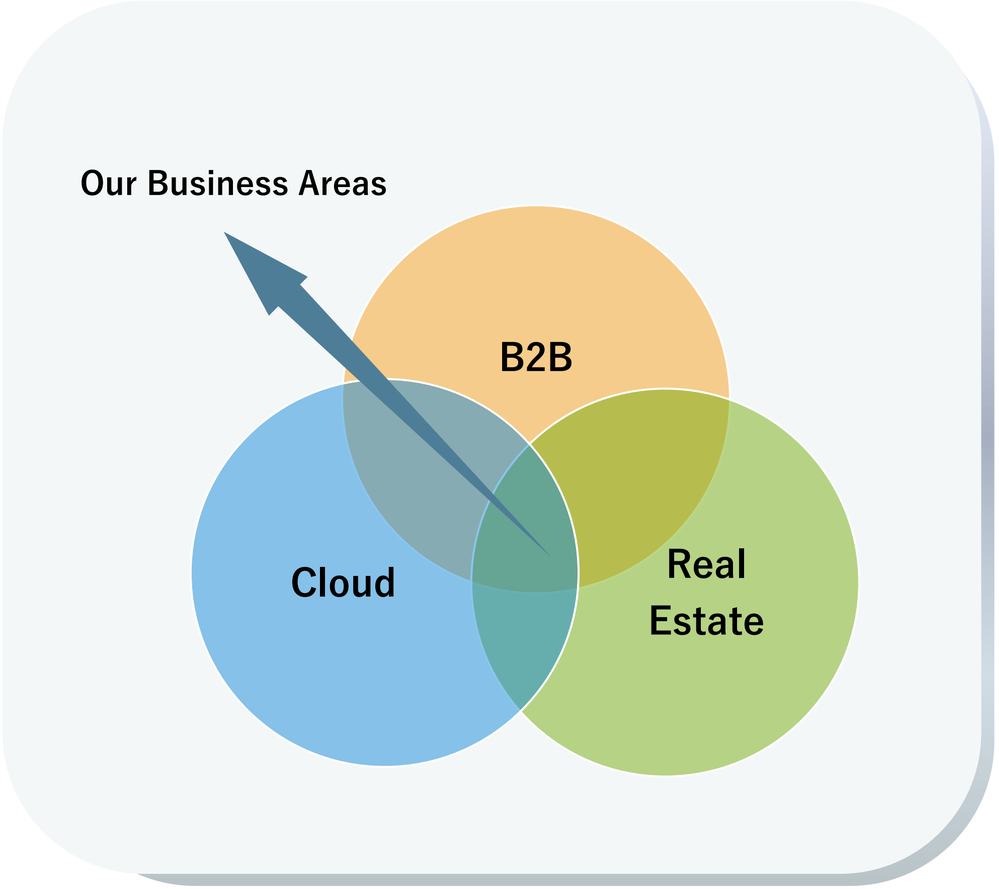
Business Areas

Growth in B2B x Cloud x Real Estate business areas



Our Business Areas

- Specializing in large companies in B2B

Our Customers

- REIT / Private REIT
- General business companies
  (companies who own Real Estate)
  ex) Electricity, railroads, retail, insurance
- government administration office

“@property” Service Site

https://propertydbk.com/

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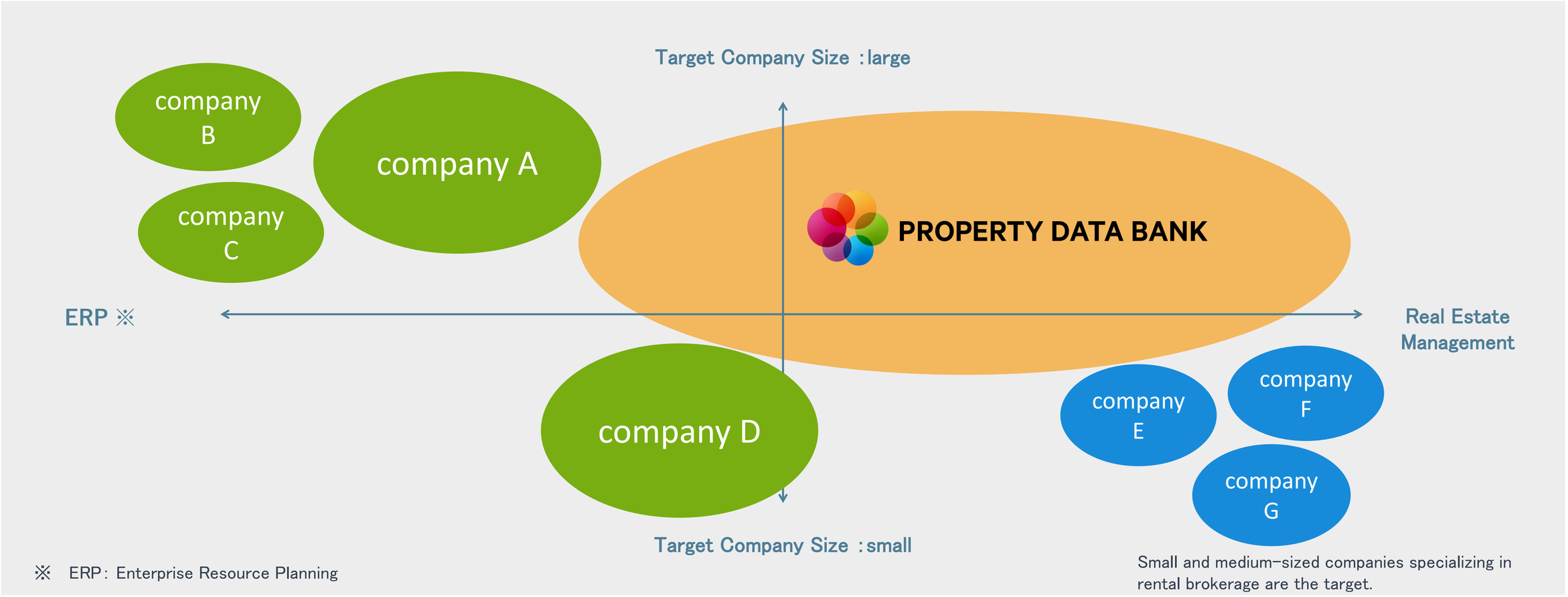
Competitive Situation

Customer base has been expanded to the other industries from Real Estate related companies, thanks to @property's accounting function



※ ERP：Enterprise Resource Planning

Small and medium-sized companies specializing in rental brokerage are the target.

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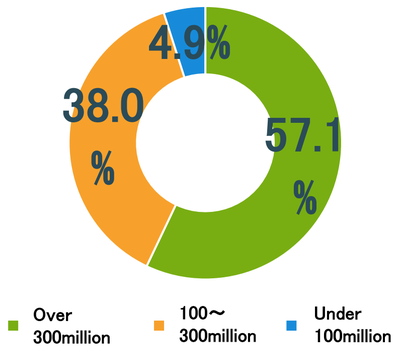
FY2024 Business Policy

In this fiscal year, we will strengthen the following three points

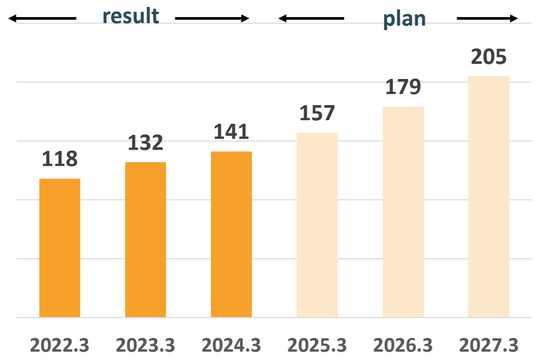
01. Continue to receive orders for large projects

Aiming to expand orders for large-scale projects while managing resources.



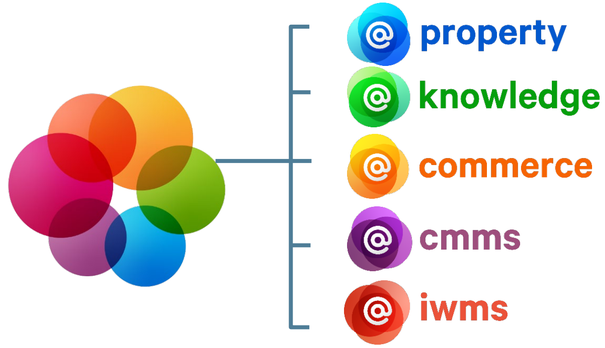
02. Expansion of cloud revenues

Aiming the expansion of cloud revenue from @property.



03. Evolution of service structure

Evolving the service structure by strengthening the infrastructure and functional aspects as PDB-Connect and the services as PDB-SaaS



Expansion of target customers / areas, and strengthening of acquisition of new customers

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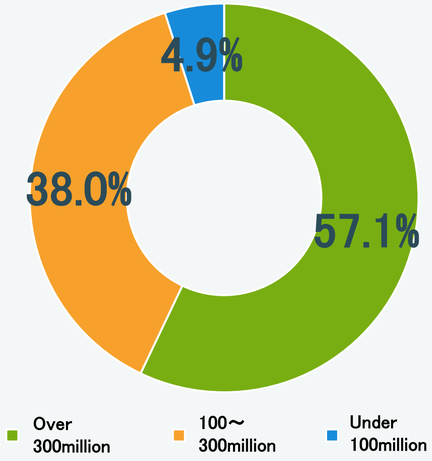
Business Policy　01.　Continue to receive orders for large projects

As of the end of October 2024, the order backlog is 1.5 billion yen, a decrease of 300 million yen compared to the end of April 2024. The reason is the sales recorded from May to October 2024 and the inability to secure new large-scale projects.

Order Stock for Large Projects



Order stock of 1.5 billion yen

※ As of October 31, 2024

*Definition of orders: Total value of solution projects that have already been ordered. Regarding large-scale projects, we have secured early-stage orders, and this is the sum of future projects linked to these projects. Excludes items that have already been accounted for.

- Existing large-scale projects are progressing smoothly, and revenue is being recorded from completed phases.
  ⇒ Contributing to increased revenue recognition, but a factor in the decrease of order backlog
- There are inquiries for new large-scale projects, but orders have not yet been secured, and the order backlog has not been built up.

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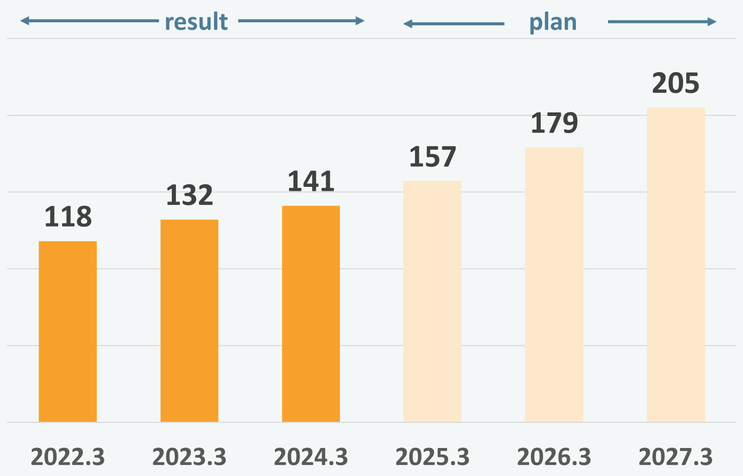
Business Policy　02.　Expand of cloud revenues

We will strength the appeal of one-source, multi-use public cloud

Monthly Cloud Service Fee



In addition to the contribution from large solution projects, we also aim to increase the number of projects that can be booked as sales in a short period of time.

- Set KPIs for cloud revenue growth
- Continue to actively recruit to expand sales and development structure
- We are aggressively working on mid-sized projects to expand cloud revenues.

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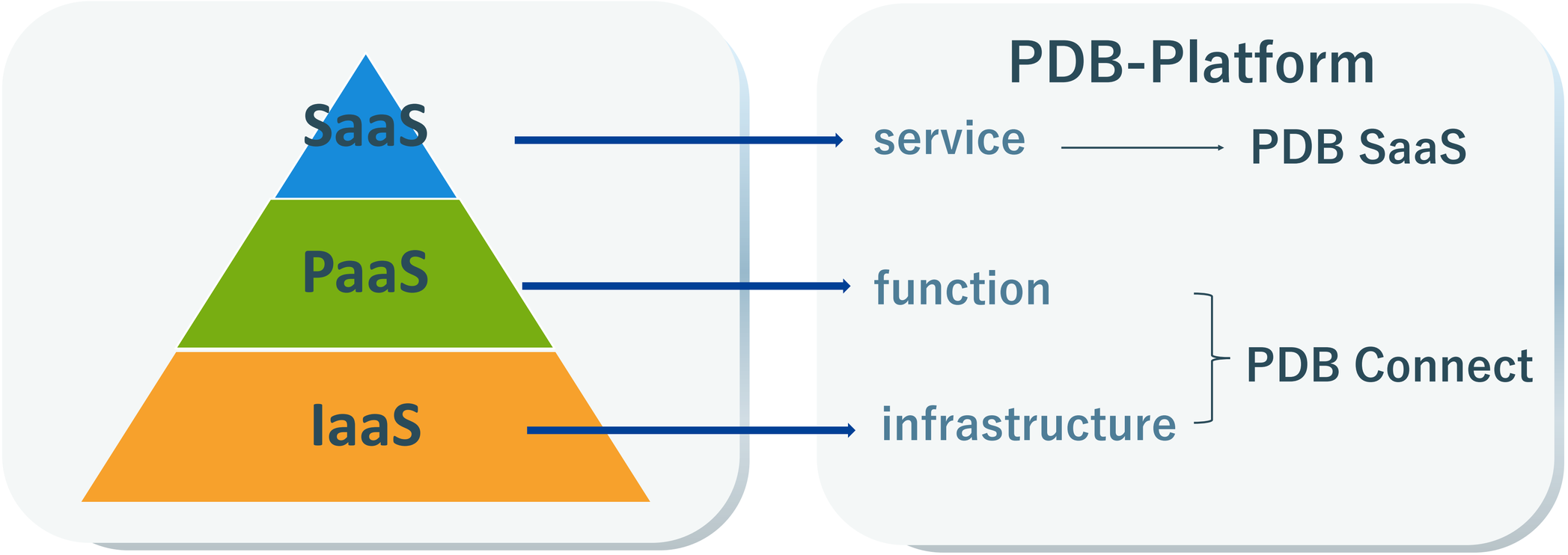
Business Policy 03. Evolution of service structure

Inheriting the concept of the @property, one-source and multi-use, that we have built since the establishment, we will create new cloud services that allow systems to be combined in accordance with customer needs.



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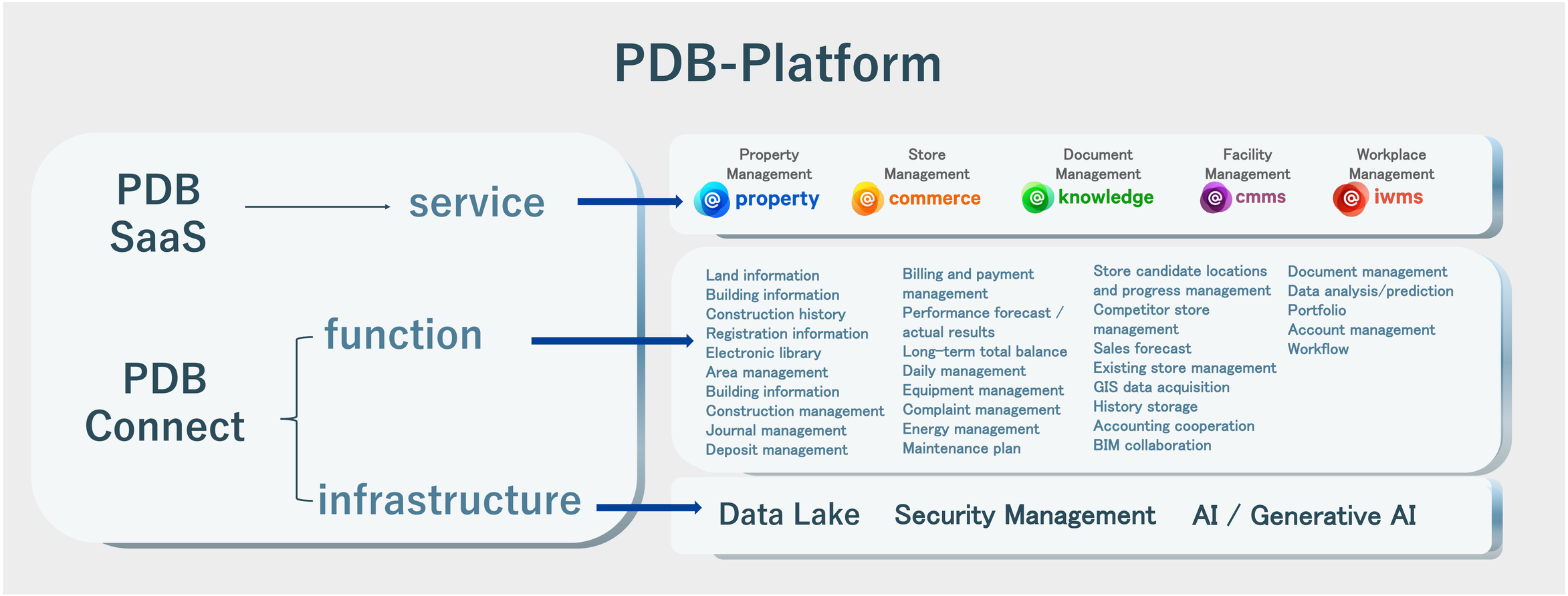
What is PDB-Platform?

We will continue to expand the services to meet customer needs by combination of multiple functions.
UI and UX of each service will be renewed also with new service logos.



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Business Model

Cloud business sales are recurring revenues (stock revenues)
Solution business sales are recognized as one-time revenues (flow revenues)

PDB-SaaS(service)

- property
- commerce
- knowledge
- cmms
- iwms



- Usage Fee
- Maintenance Fee

→ Cloud services sales

- Customization Fee
- Installation Support
- Option Fee
- Consultation Fee

→ Solution services sales

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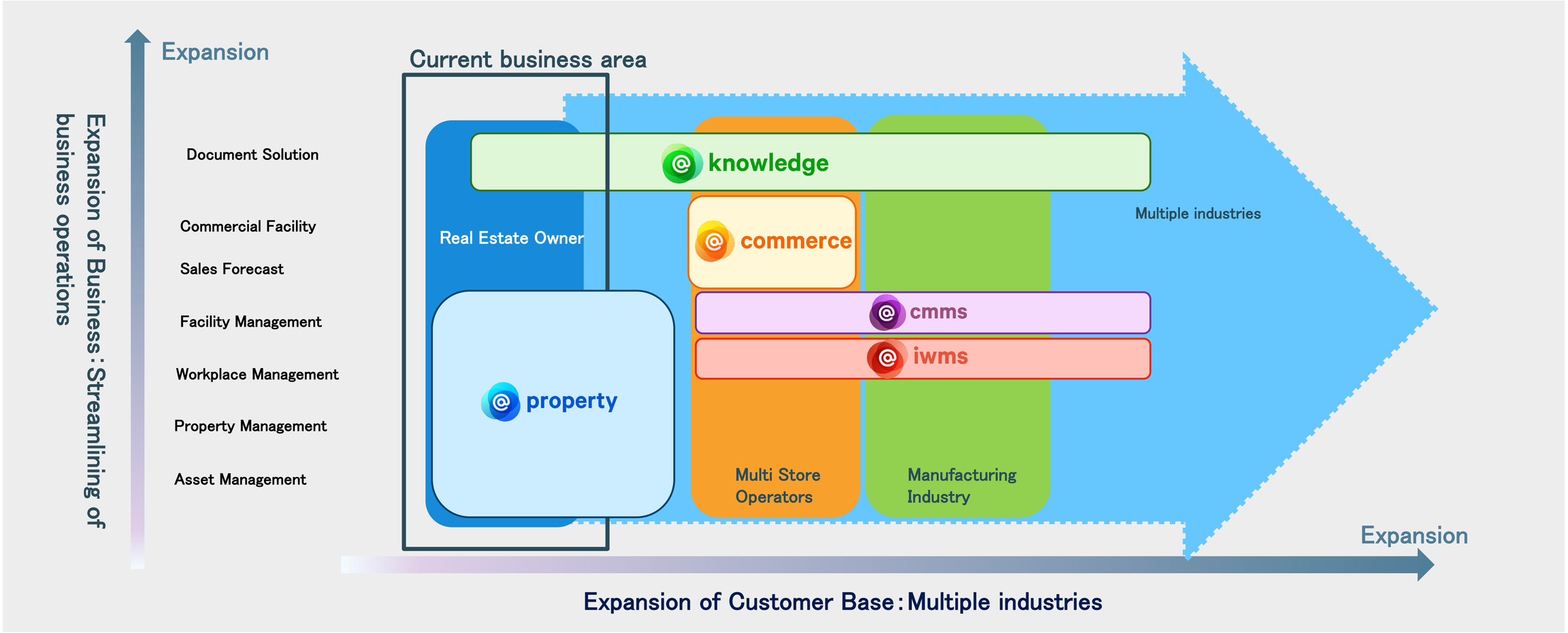
Expansion of Target Areas and Customer Base

Promote expansion of target areas and customer base



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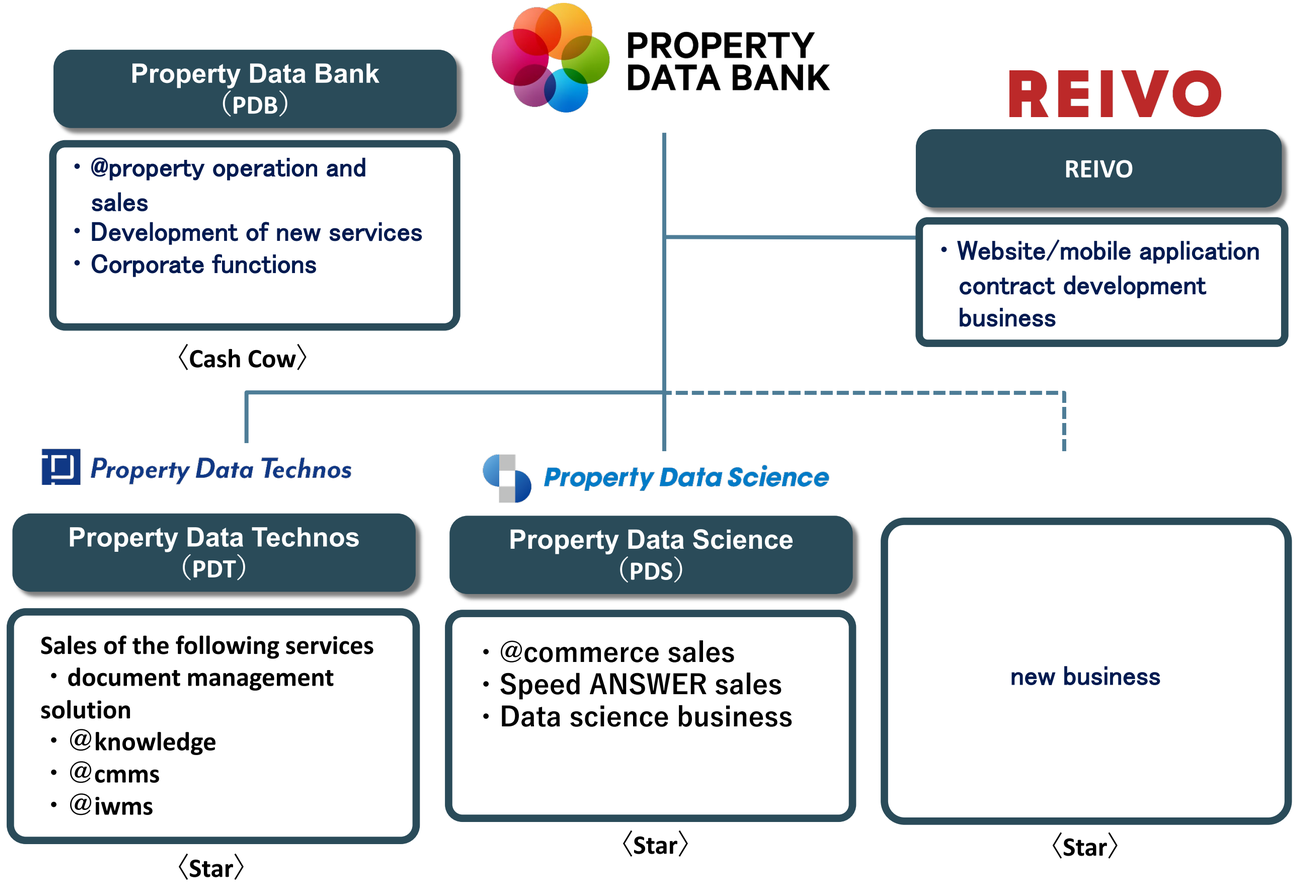
Group Strategy

By transferring sales function of new service to PDS and PDT, change to a more agile management structure.



1. Develop new services as a next-generation star candidate by transferring the business and funding to subsidiaries.

2. PDB manage @property business, PDB-Connect operation and maintenance. And PDB have corporate and new business incubation functions.

3. PDS and PDT receive funding from PDB and launch their respective businesses.

4. Each service will be transferred to a subsidiary in accordance with the characteristics of each service and the flow of data.

5. REIVO provides technical support for the deployment of our PDB-Platform.

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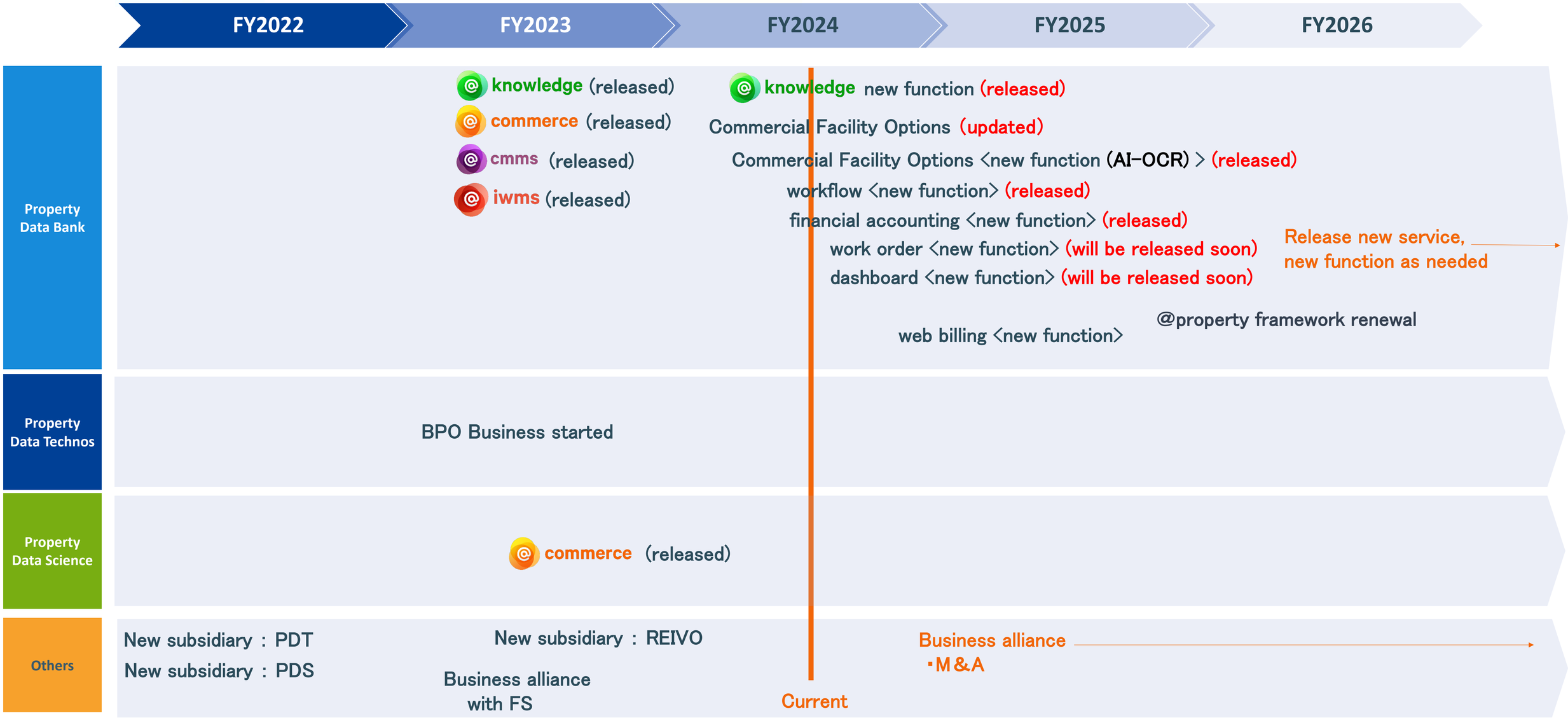
Property Data Bank Group Roadmap



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Main Recognized Business Risks

Main Risks	Possibility/ Timing of occurrence	Impact on achieving growth and implementing management plan	Response
Competitive Situation (e.g., new entry of companies with financial and brand strength)	**Medium/ Medium to long term**	・Decline in market share ・Decline in value of individual orders ・Impact on business and earnings	Working to differentiate the Company by increasing the quality of cloud services that reflect the opinions of users and always evolves.
Information management, information leaks, and system problems	**Medium/ Short term**	・Undermines social credibility and brand image ・Decline in sales due to a fall in service fee ・Possibility of claims for compensation for damages	Working to protect information assets and maintain and raise the security level through efforts such as obtaining ISO27001 and ISO27017 certification. Adding redundancy for devices, securing three data centers in Japan, and ensuring the safety and soundness of services.
Providing services that meet customer needs (e.g. being late to provide services that meet customer needs, or providing services that do not meet the needs of customers)	**Medium/ Medium to long term**	・Decline in sales due to cancellation of contracts ・Impact on business and earnings	Working to improve cloud services by ascertaining customer needs through support services and following up with customers.

Refer to the Business Risk section of the Securities report for information on other risks.

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The forecasts and forward-looking statements in this document are based on information available to the Company at the time this document was prepared and include potential risks and uncertainties. Therefore, please be aware that changes in the business environment and various other factors may cause actual results to differ materially from those discussed or implied in the forward-looking statements.

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