



First quarter of FYE March 31, 2022 Presentation Material

August 5, 2021

e-Seikatsu Co., Ltd. (Securities code: 3796)

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1. Summary of First Quarter Results for FYE March 31, 2022

ARR

1,999 million yen ^{YOY} (+5.5%)

Sales

577 million yen ^{YOY} (+10.5%)

Subscription sales ratio

87.6% ^{Previous term} (91.4%)

Number of Fee-paying Client Companies

1,440 companies
(+6 companies compared to June of the previous year)

ARPU
(Average Revenue Per User)

Approx. **115** thousand yen
(Approx. 110 thousand yen in June of the previous term)

EBITDA

112 million yen ^{YOY} (-7.3%)

Operating income

6 million yen ^{YOY} (-48.9%)

Subscription gross profit margin

59.3%
(58.4% in the same period of the previous term)

MRR churn rate

0.61%

*1 Figures rounded down to the nearest million yen. Ratios rounded to the nearest decimal place.

*2 ARR (Annual Recurring Revenue) was calculated by multiplying MRR as of June 2021 by 12.

*3 Subscription sales are earned continuously on a monthly basis unless customers apply for cancellation, and include monthly charges for cloud and SaaS services. They are our monthly recurring revenues (MRR).

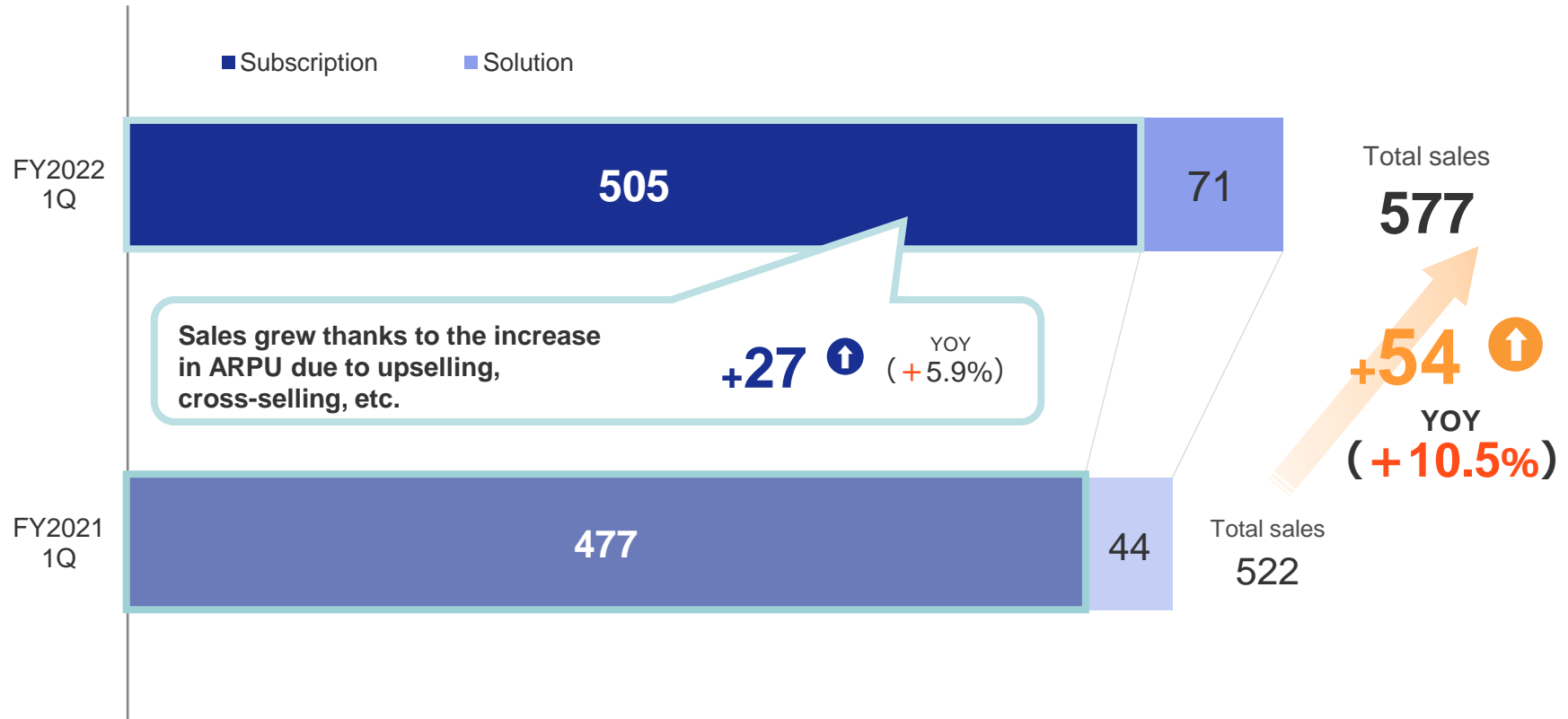
*4 ARPU (average revenue per user) is calculated by dividing "subscription sales" in June 2021 by "the number of subscribed companies" in the same month and rounded down to the nearest thousand yen.

*5 Subscription gross profit margin is the gross profit margin of "subscription sales," excluding "solution sales."

*6 Subscription sales ratio is the ratio of "subscription sales", which is recurrent revenue such as monthly charges for cloud and SaaS, to total sales.

*7 MRR churn rate is the number of MRRs (including existing changes) lost in June 2021 divided by the MMR of May 2021. *8 EBITDA = Operating income + Depreciation

Breakdown of Sales Fluctuation Unit: Million yen



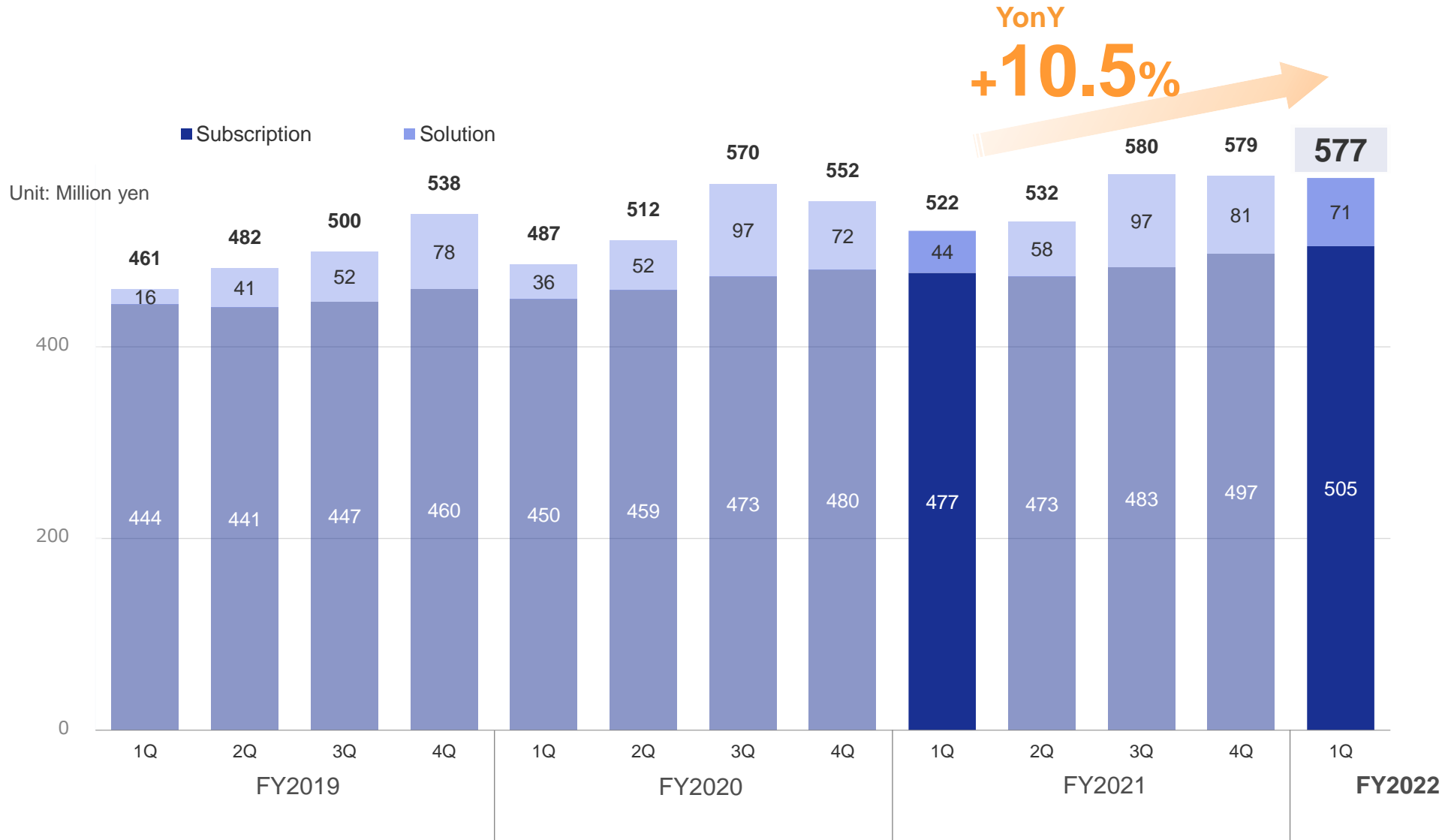
* Subscription: revenues earned continuously on a monthly basis unless customers apply for cancellation, including monthly charges for cloud and SaaS services

* Solution: revenues earned from other services, including fees for initial setting, system installation, and operation support (BPO) for cloud and SaaS services, commissioned development of systems, and sale or introduction of other companies' services as an agency

* From FY 2022, sales are classified into "Subscription" and "Solution," to disclose information in a more understandable way.

* Figures rounded down to the nearest million yen.

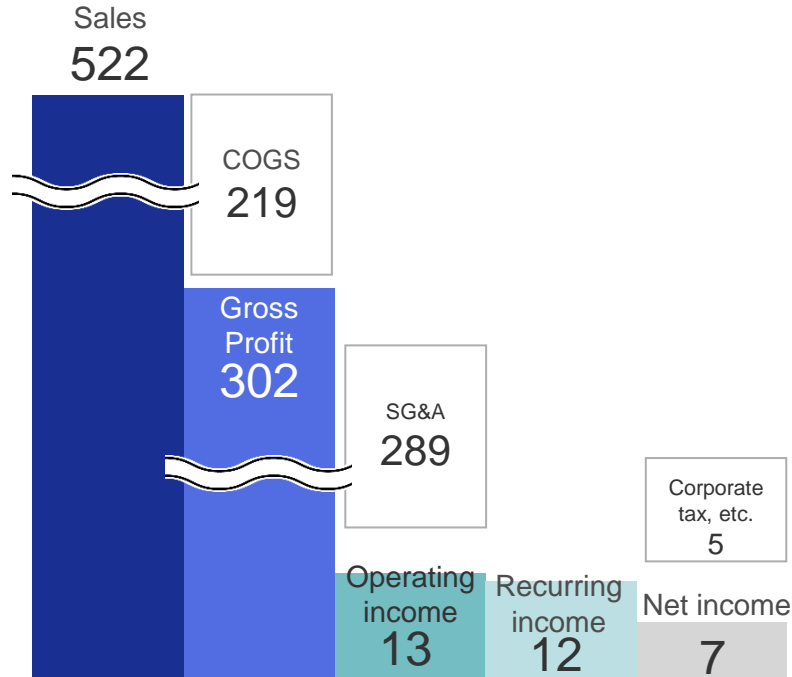
Variation in Sales (Cloud Solution Business)



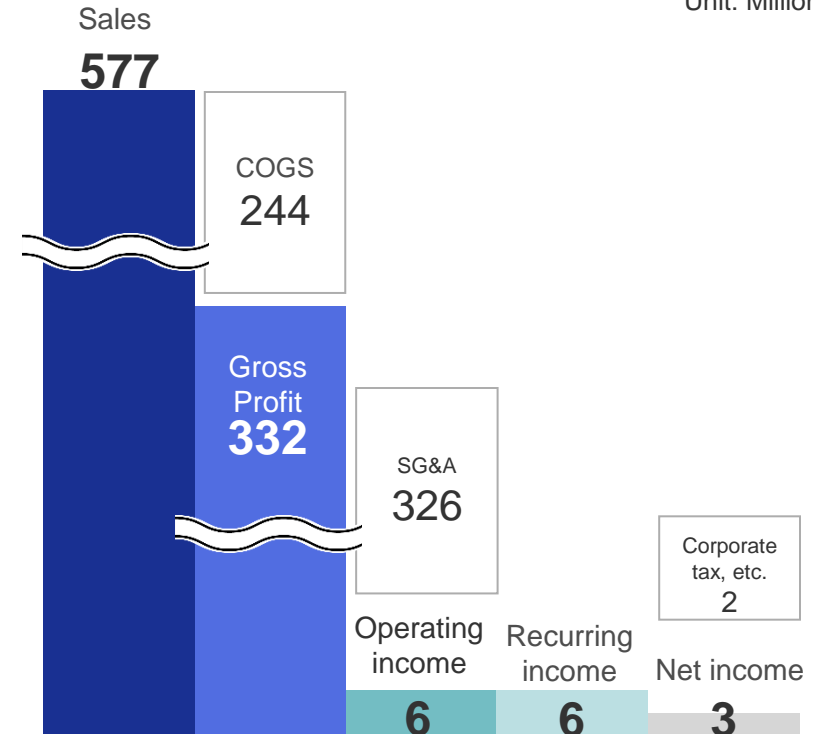
* Figures rounded down to the nearest million yen.

(Consolidated)
Unit: Million yen

FY2021 1Q



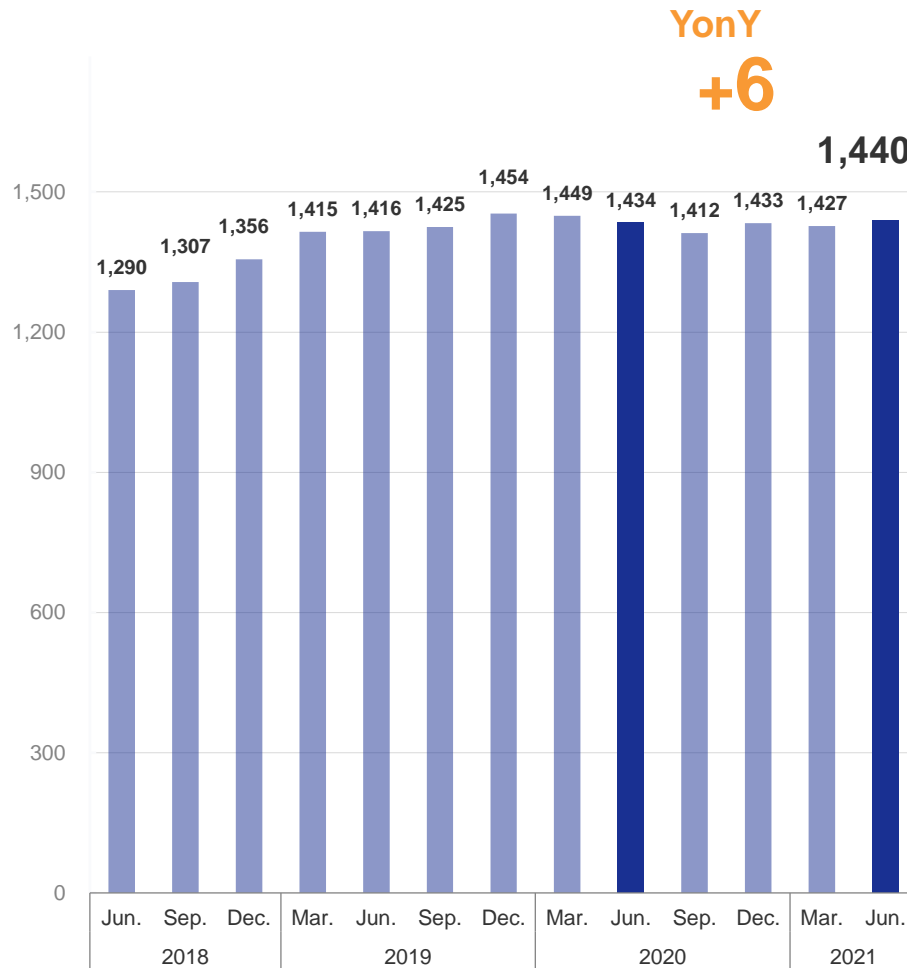
FY2022 1Q



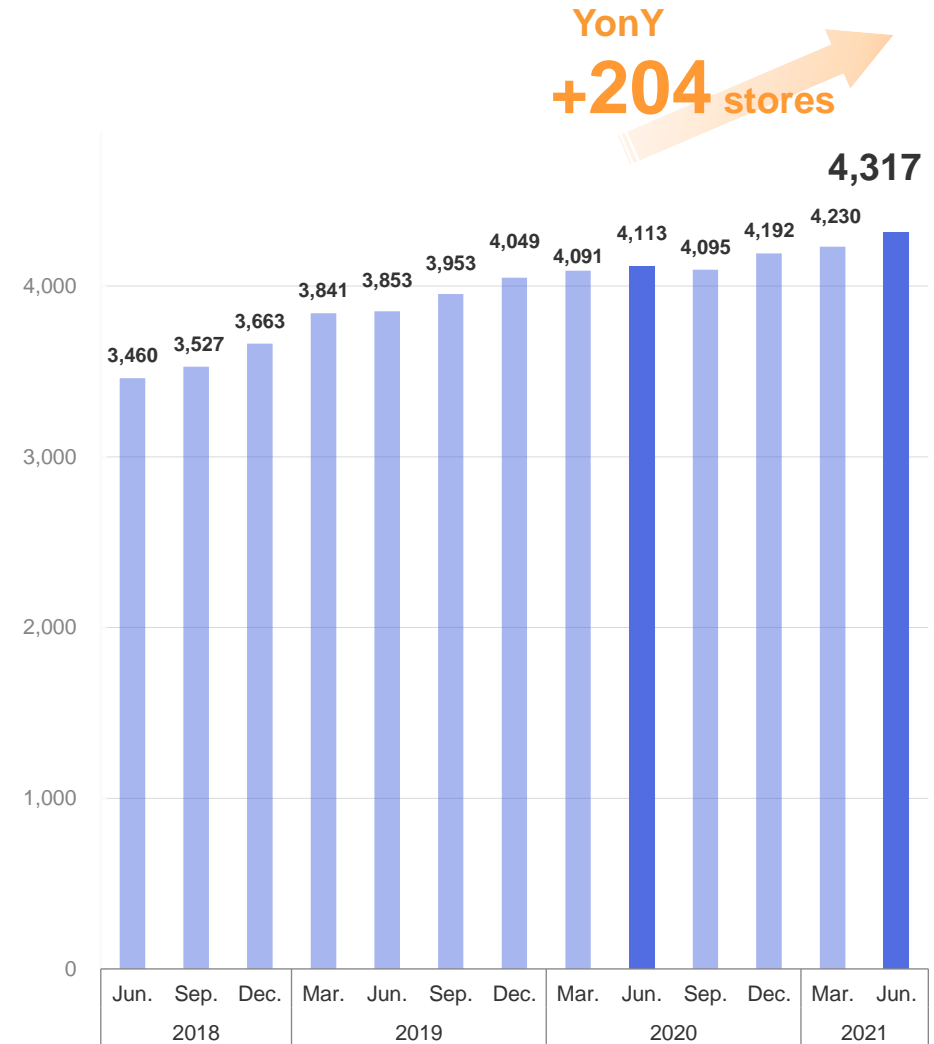
- Mainly online marketing was enhanced further. We increased new customers steadily, growing sales.
 - **COGS:** As we have shifted to IaaS (Infrastructure as a Service), the charges for using IaaS, etc. augmented. (By the end of the previous term, we stopped operating the existing in-house data center as planned.)
 - **SGA:** We invested in in-house infrastructure for improving the staff for sales and support and further upgrading the systems for mainly online sales and support.

* Figures rounded down to the nearest million yen.

Variation in the Number of Companies Using Our Services (Charged companies only)



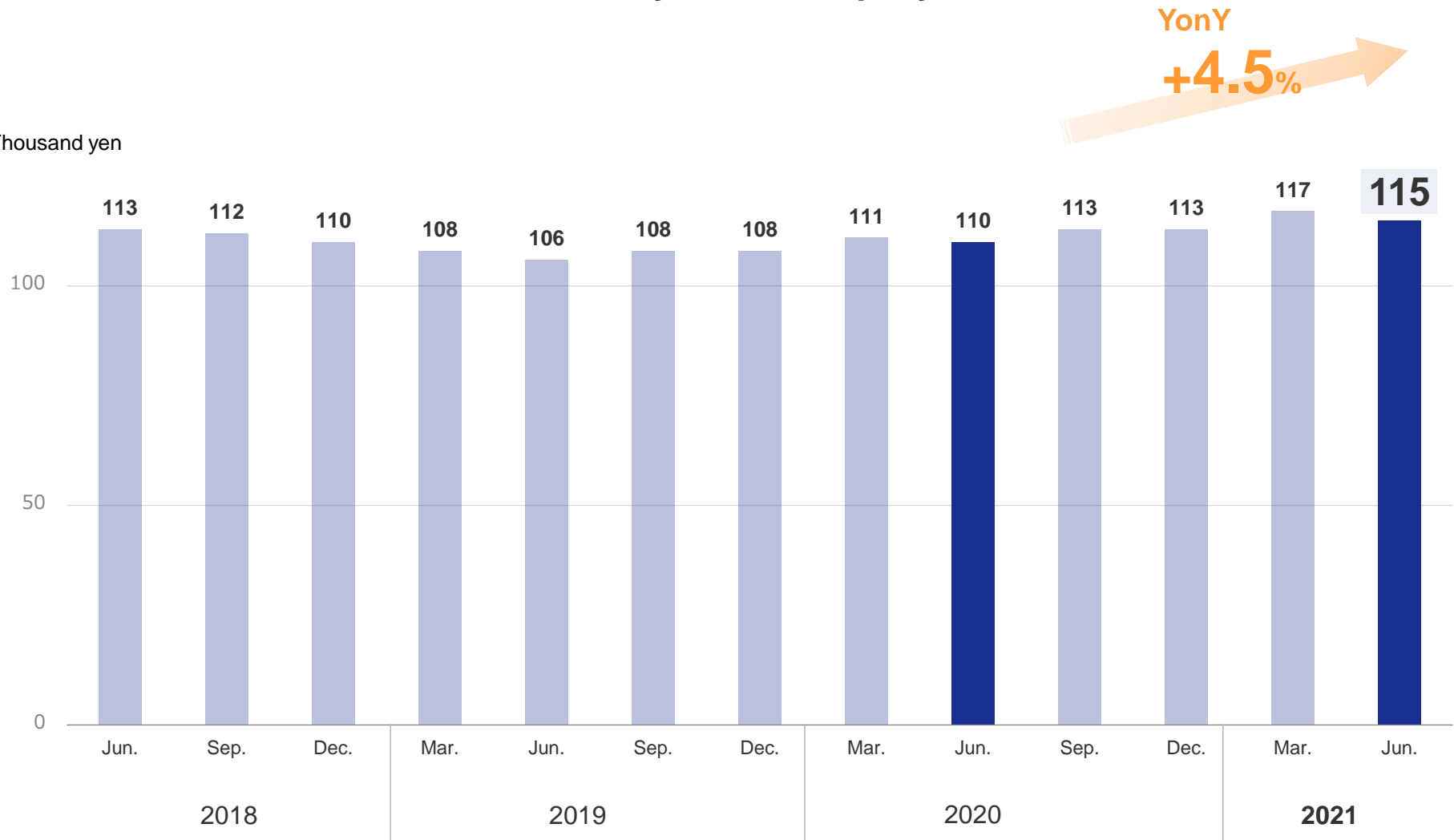
Variation in the Number of Stores Using Our Services



* As for ES e-Bukken One, contracts are established and fees are charged for individual corporations. As for the number of stores, the total number of stores registered by clients for use (real estate companies) was counted.

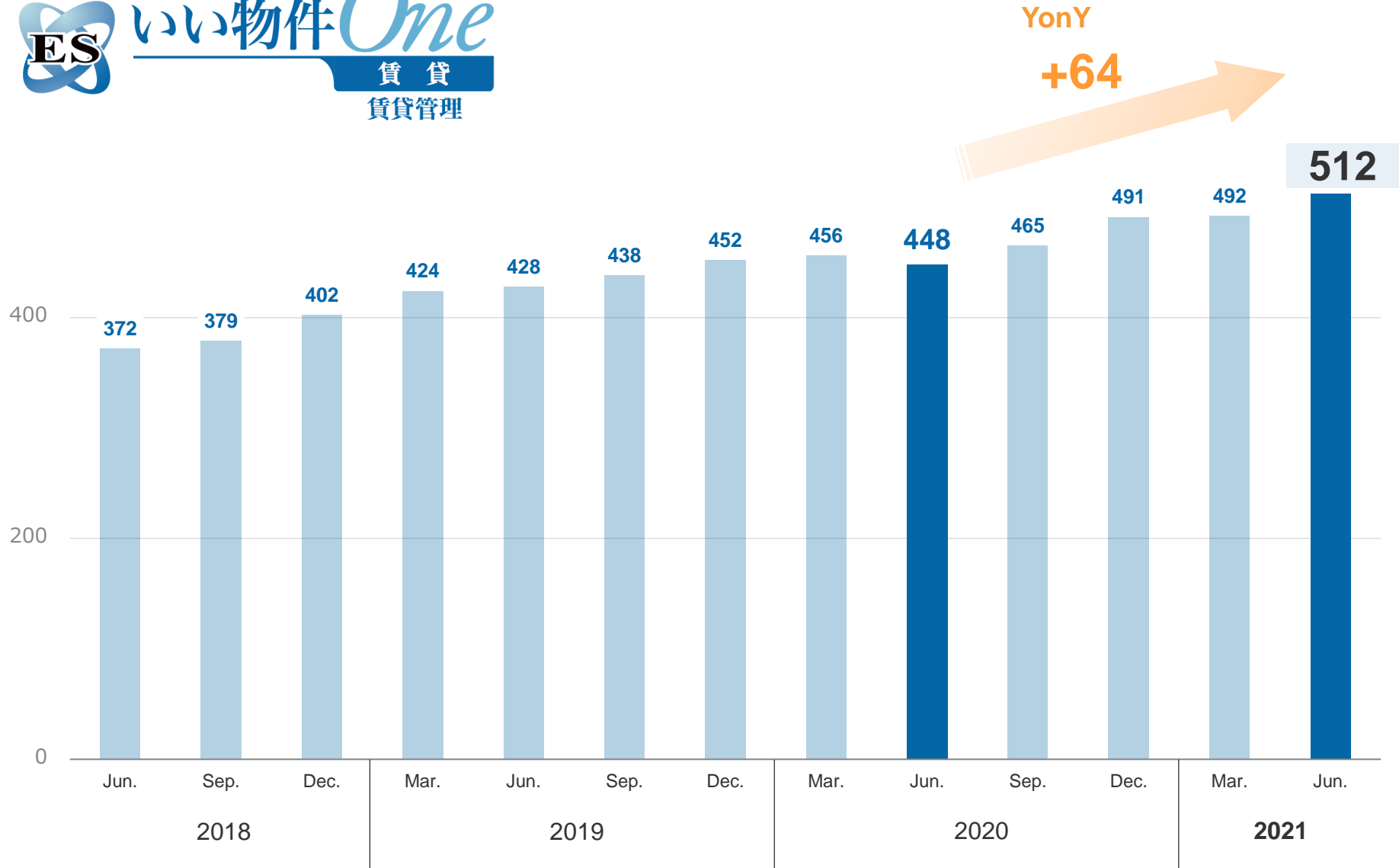
Monthly ARPU/company

Unit: Thousand yen

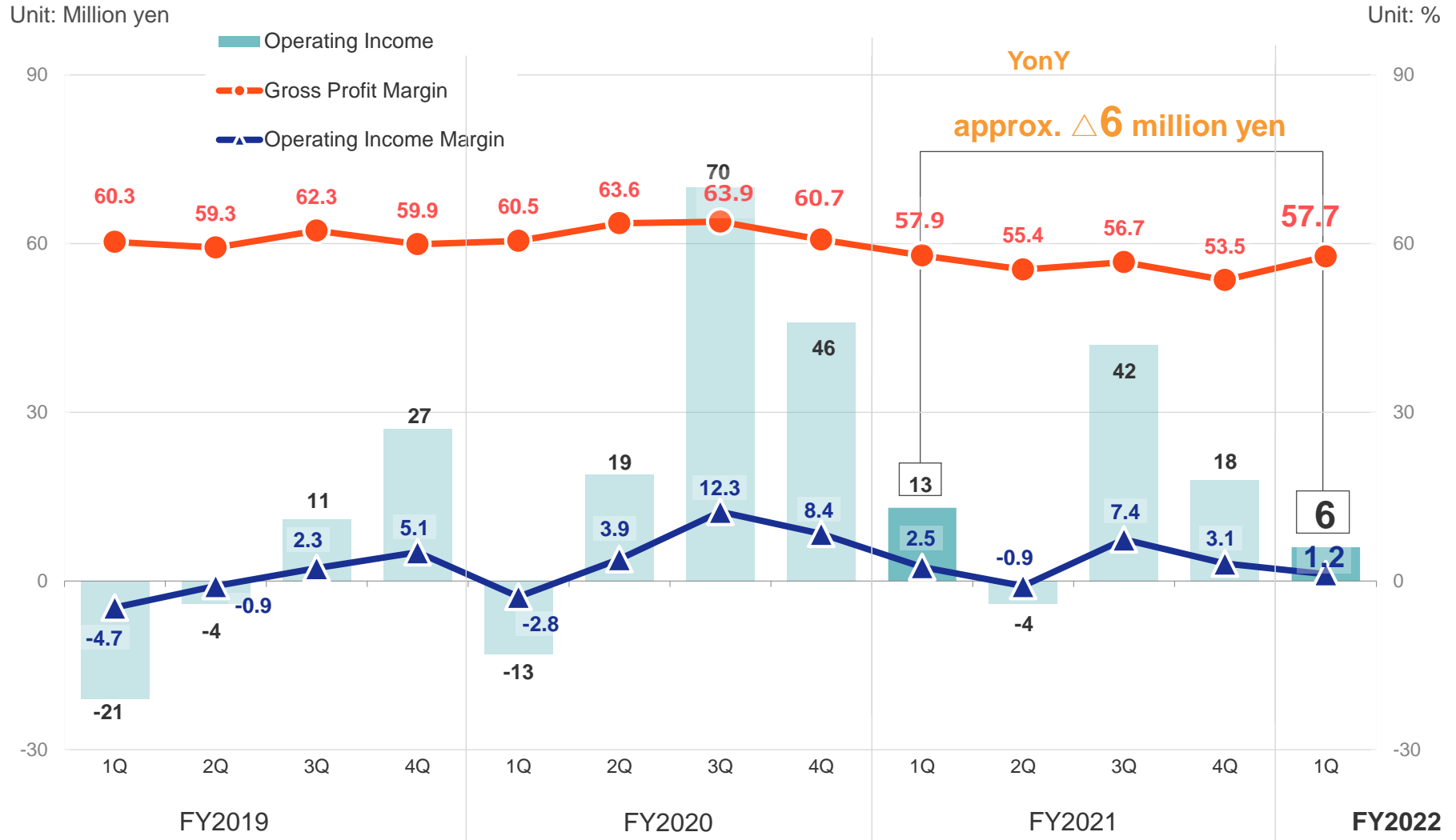


* In order to disclose information in a more understandable manner, we indicate the figures obtained by dividing “subscription sales in each month,” which is a new segment, by “the number of (corporate) subscribers in that month” and rounding the figure down to the nearest 1,000, from FY 2021. The past figures were recalculated with the new calculation method.

One Rental Management Number of licenses

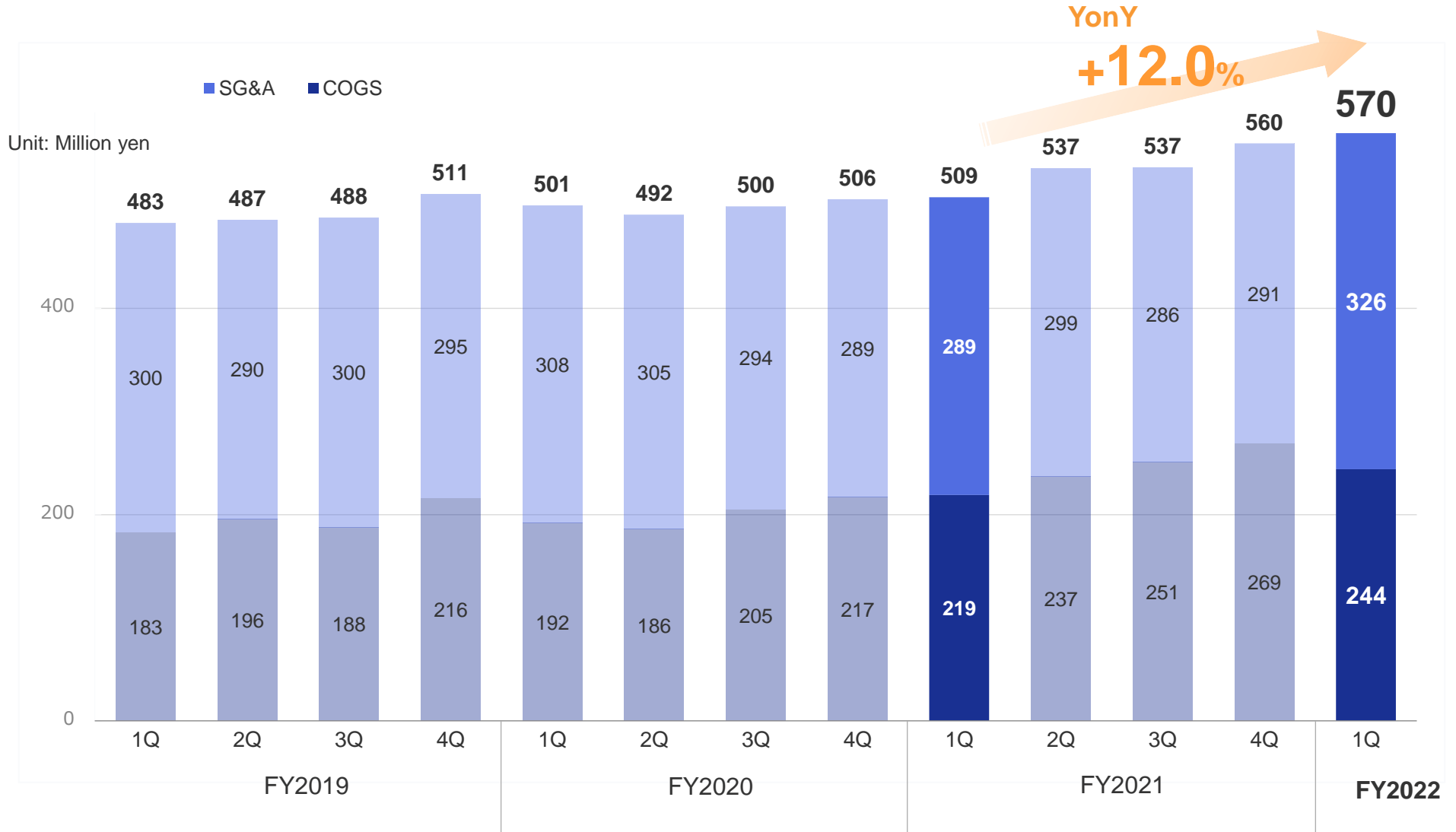


Gross Profit Margin and Operating Income Comparison (Consolidated)



* Figures rounded down to the nearest million yen.

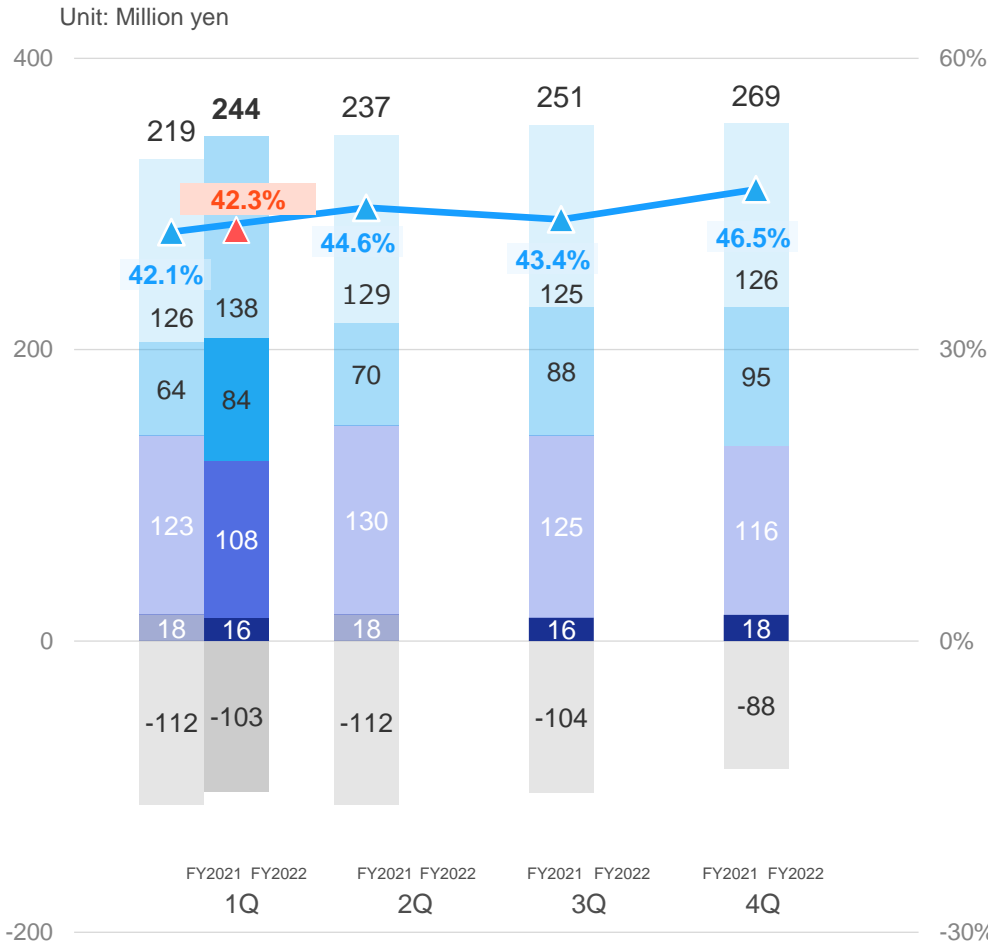
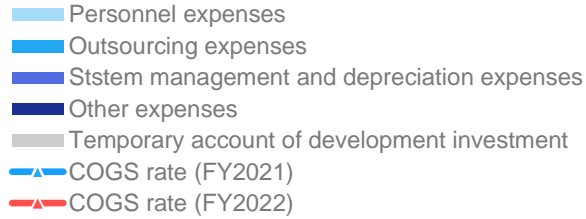
Total Expenses Comparison (Consolidated)



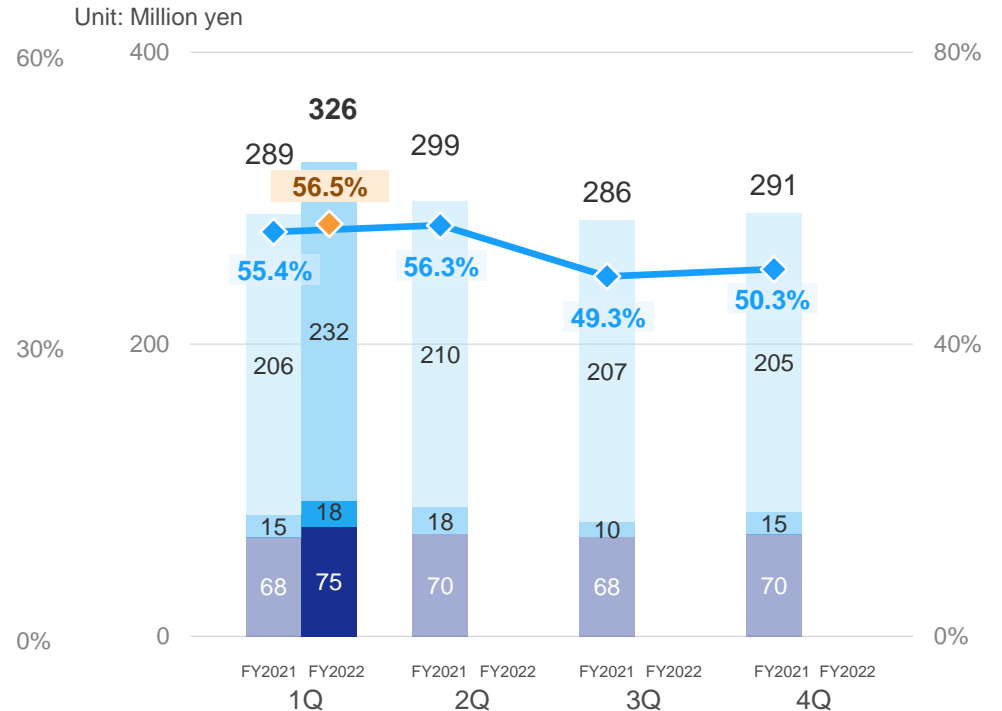
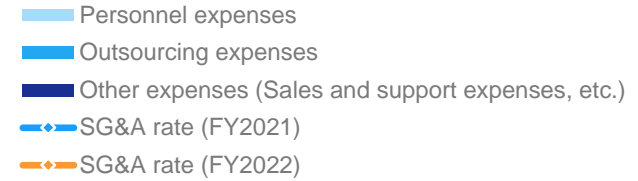
* Figures rounded down to the nearest million yen.

Cost structure: IDC costs dropped, IaaS costs rose, and expenses for sales staff increased

COGS (Consolidated)



SG&A (Consolidated)



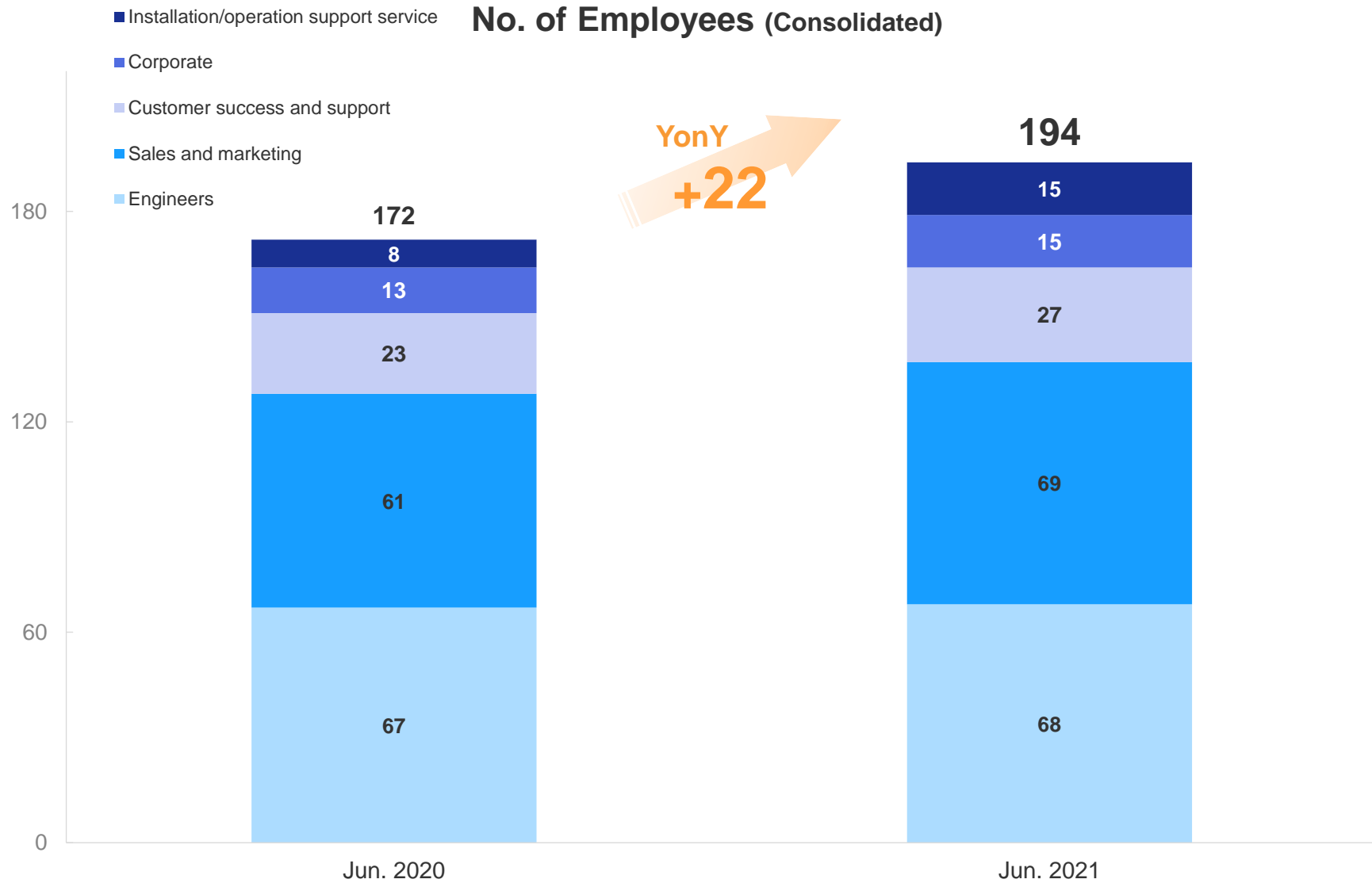
* Among costs, outsourcing expenses include expenses for outsourcing, temporary staff, and IaaS usage charges. System management and depreciation expenses include the depreciation for software and hardware and costs for in-house data centers. Temporary account of development investment includes the posted costs for inventory (goods in process and products) and temporary account of software.

* Total COGS is calculated by subtracting the temporary account of development investment from the sum of costs.

* (SG&A) Outsourcing expenses: Advertising expenses, recruitment related expenses, consultant fees, payment commission, etc.

* Figures rounded down to the nearest million yen.

We strengthened the team mainly in sales and support while maintaining a well-balanced personnel structure

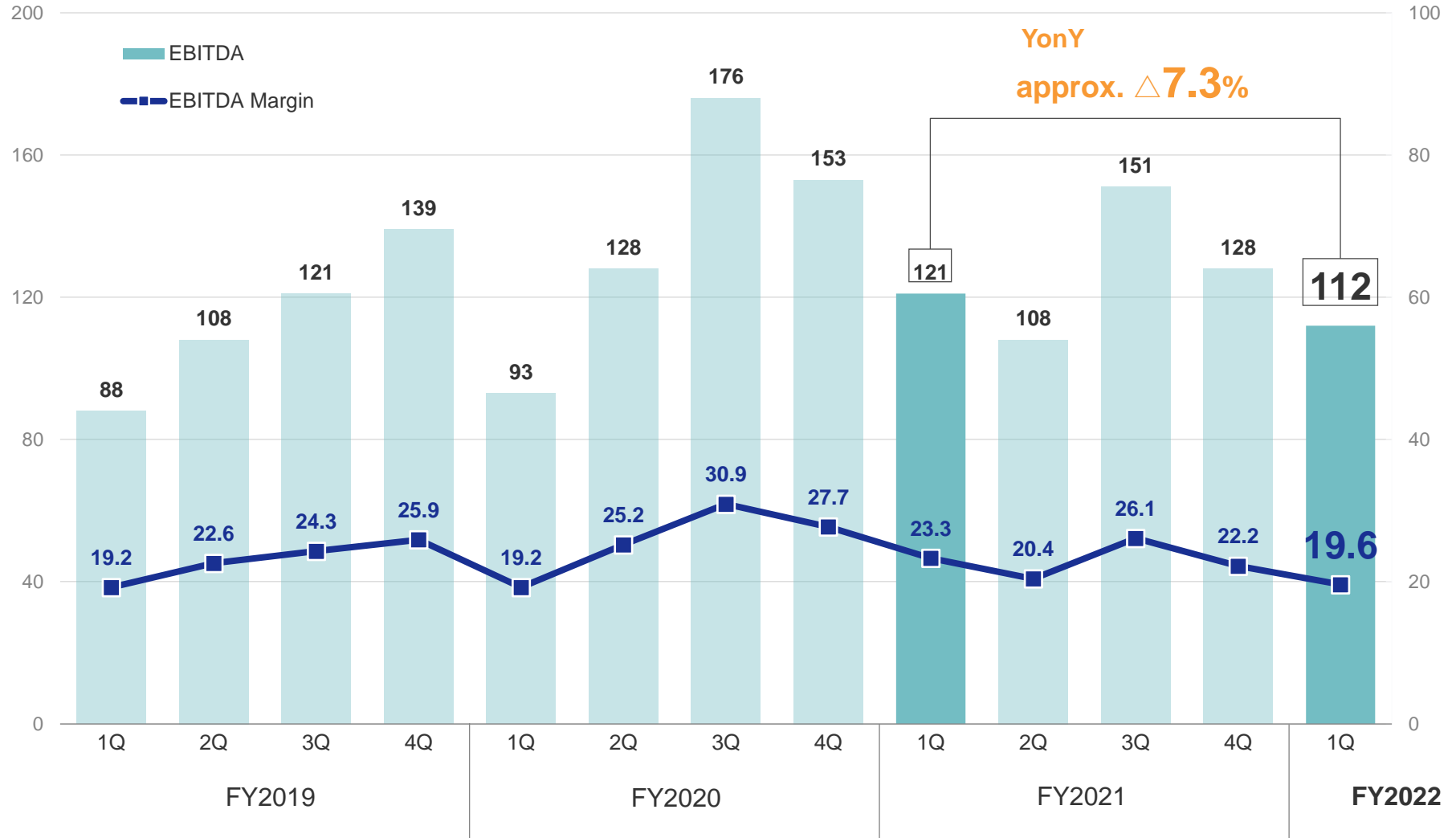


* Excluding directors, advisors, and part-time workers.

EBITDA comparison (consolidated)

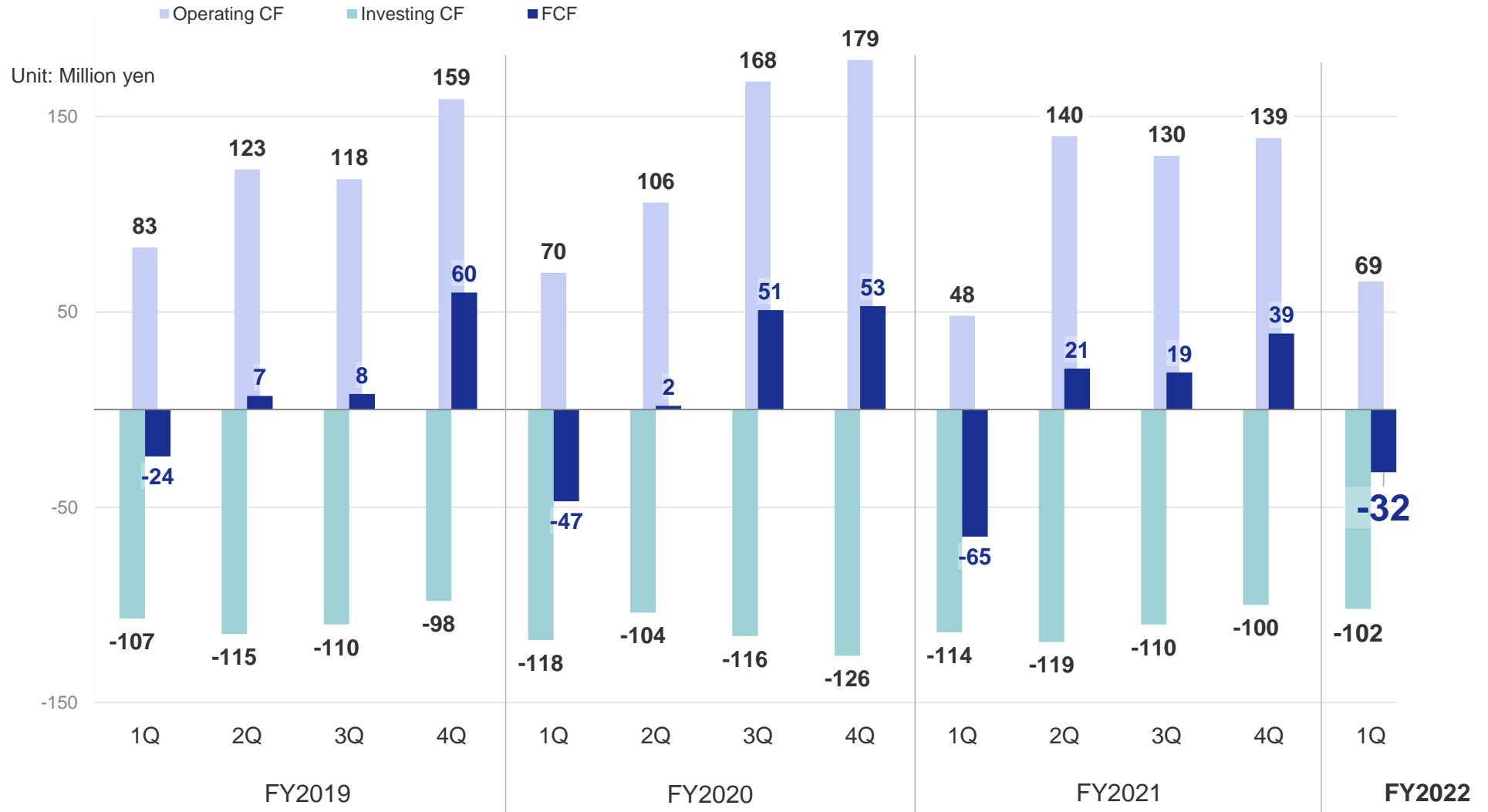
Unit: Million yen

Unit: %



* Figures rounded down to the nearest million yen.

Free cash flow comparison (Consolidated)

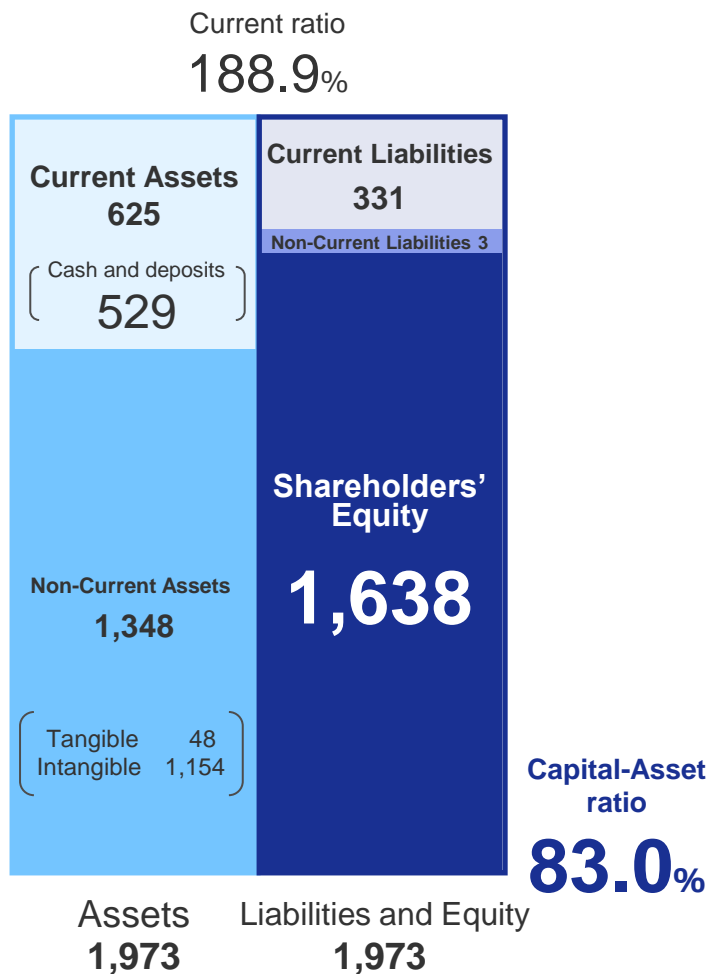


* Free cash flow (FCF) = Operating cash flow (CF) + Investing cash flow (CF)

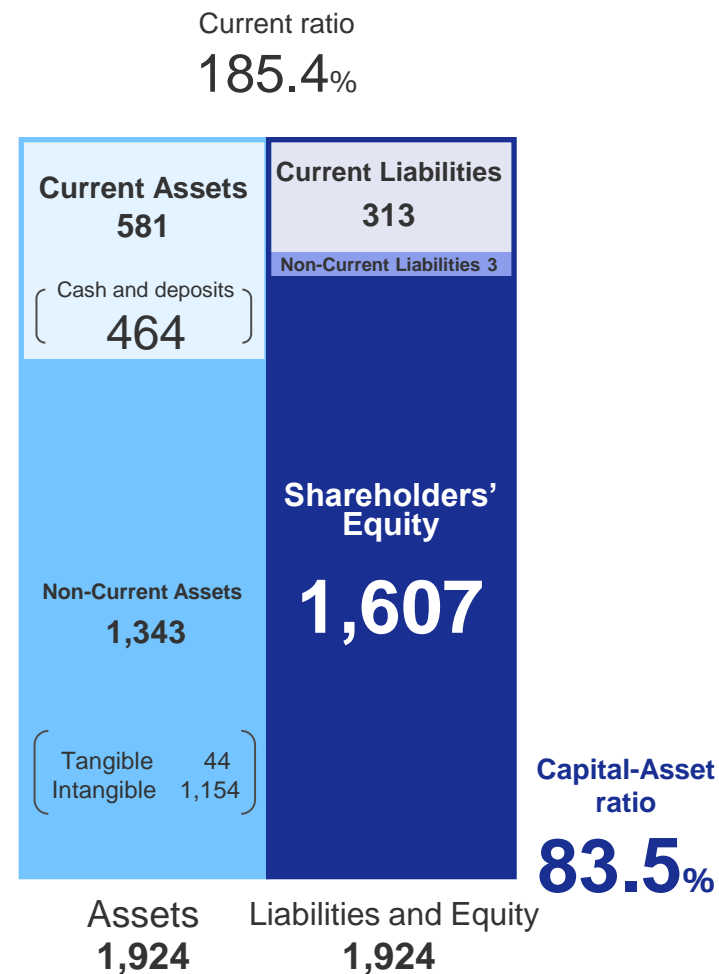
* Figures rounded down to the nearest million yen.

Consolidated Balance Sheet Comparison

Unit: Million yen



As of the end of March 2021



As of the end of June 2021

* Figures rounded down to the nearest million yen.

2. Earnings Forecast and Future Prospects

1 Impact of the novel coronavirus pandemic (COVID-19)

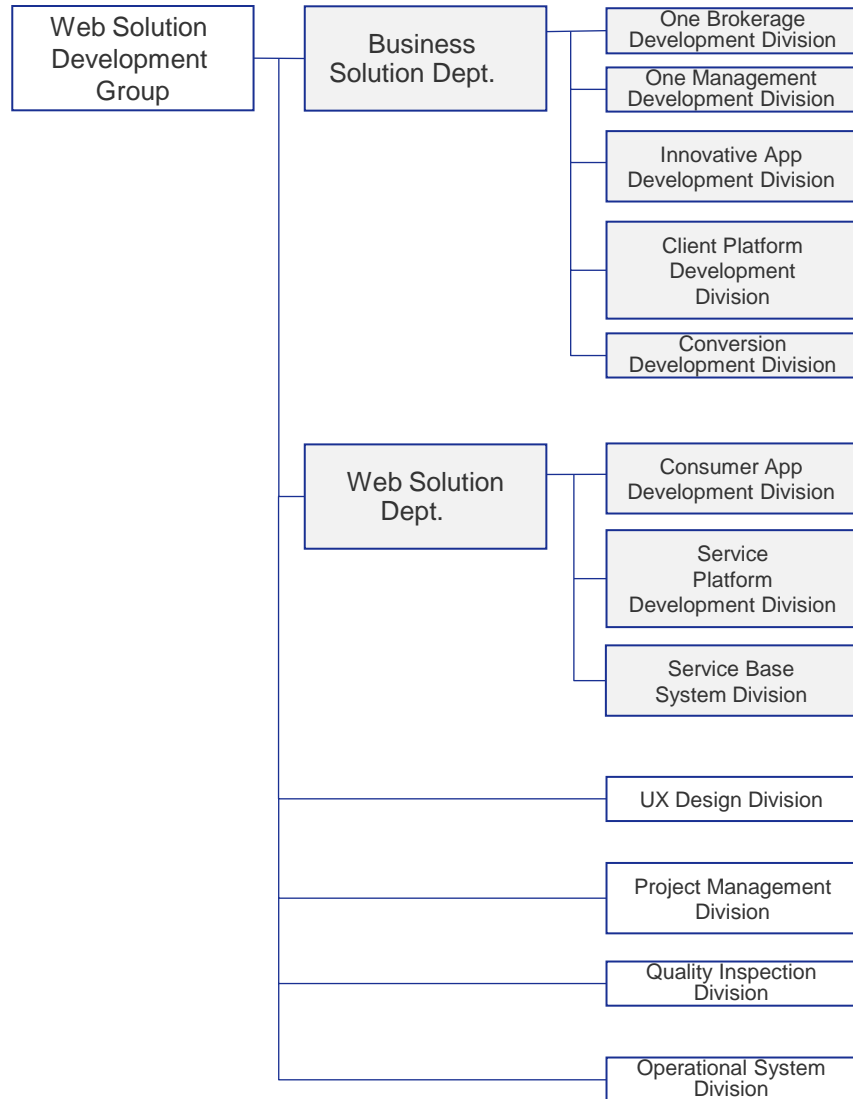
- We will maintain the remote marketing sales support system centered on online support. To improve the system further, we will increase staff and reform our organization.
- The effects of the cancellation by small-sized real estate firms, whose revenue source is one-shot revenues, such as rental brokerage charges, subsided in the previous term. Medium/large-sized real estate firms, which are our main targets, earn recurring revenues, so the effects on our performance are estimated to be limited.
- There have been many cases in which a real estate firm succeeded in continuing its business amid the coronavirus pandemic by DX. This term, too, we will hold seminars to introduce successful cases of DX and stir demand, with the aim of increasing potential customers.

2 Earnings forecast for FYE March 31, 2022 (Consolidated)

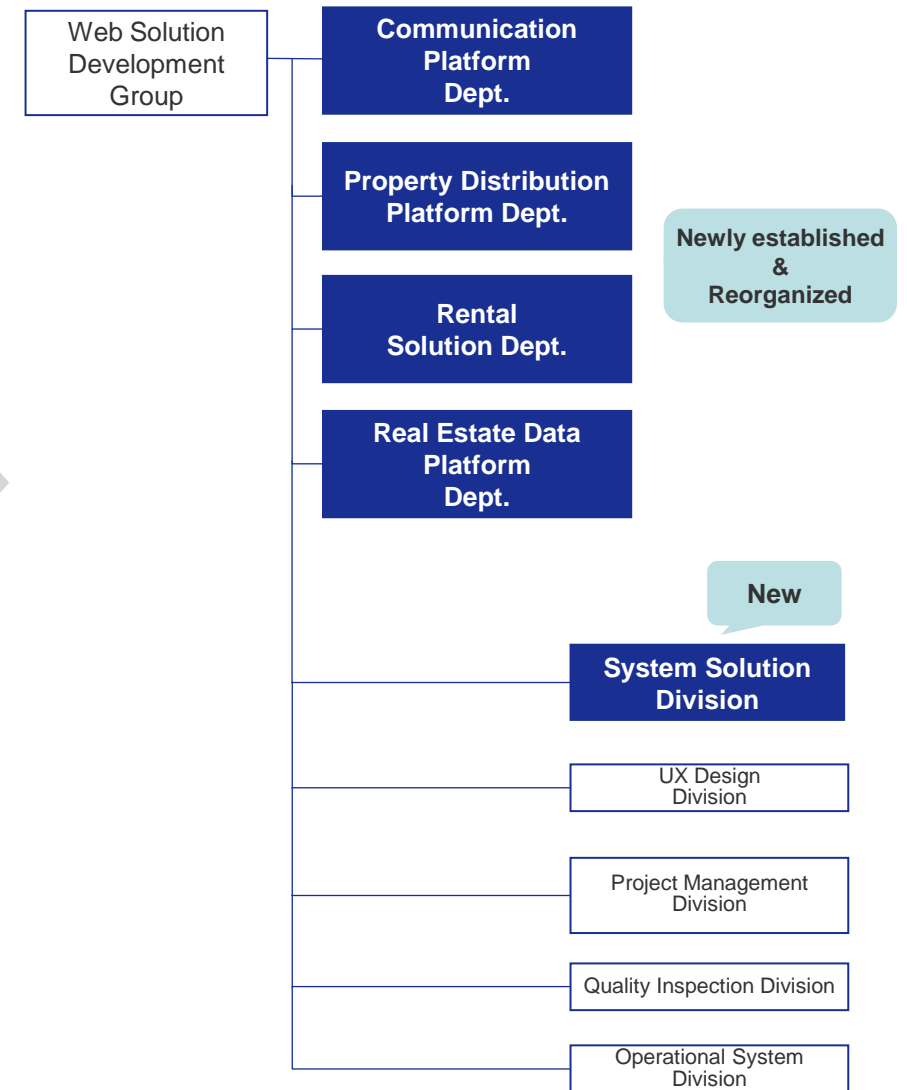
- Sales are estimated to grow about 184 million yen up approx. 8.3% year on year to **2,398 million yen**. As of the end of 1Q, business performance was healthy. Sales growth is expected, due to the rise in ARPU through upselling and cross-selling of new services, a low cancellation rate, stable recurring revenues, etc.
- In order to trigger innovation further, we reformed the organization for development. As the operation of the conventional system ended after the shift to IaaS and the annualization of IaaS costs produced some effects, cost is estimated to augment about **47 million yen** from the previous term.
- We strengthened sales & marketing staff for increasing sales further. The efficient marketing & sales system centered on online operations was maintained. SG&A is estimated to augment about **104 million yen** from the previous term.
- As a result, operating income is estimated to be about 101 million yen, as sales and total costs are projected to grow about **184 million yen** and about **152 million yen**, respectively.

Shift to a system for accelerating multi-product development

(Organizational structure as of December 1, 2020)

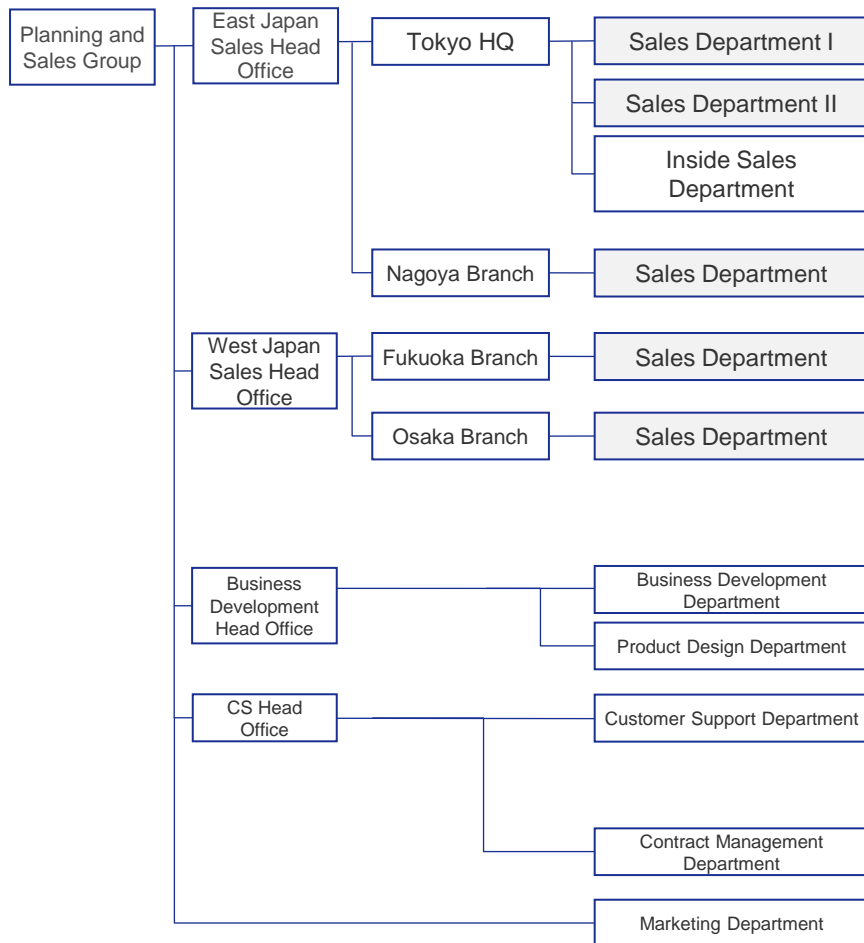


(Organizational structure as of April 1, 2021)

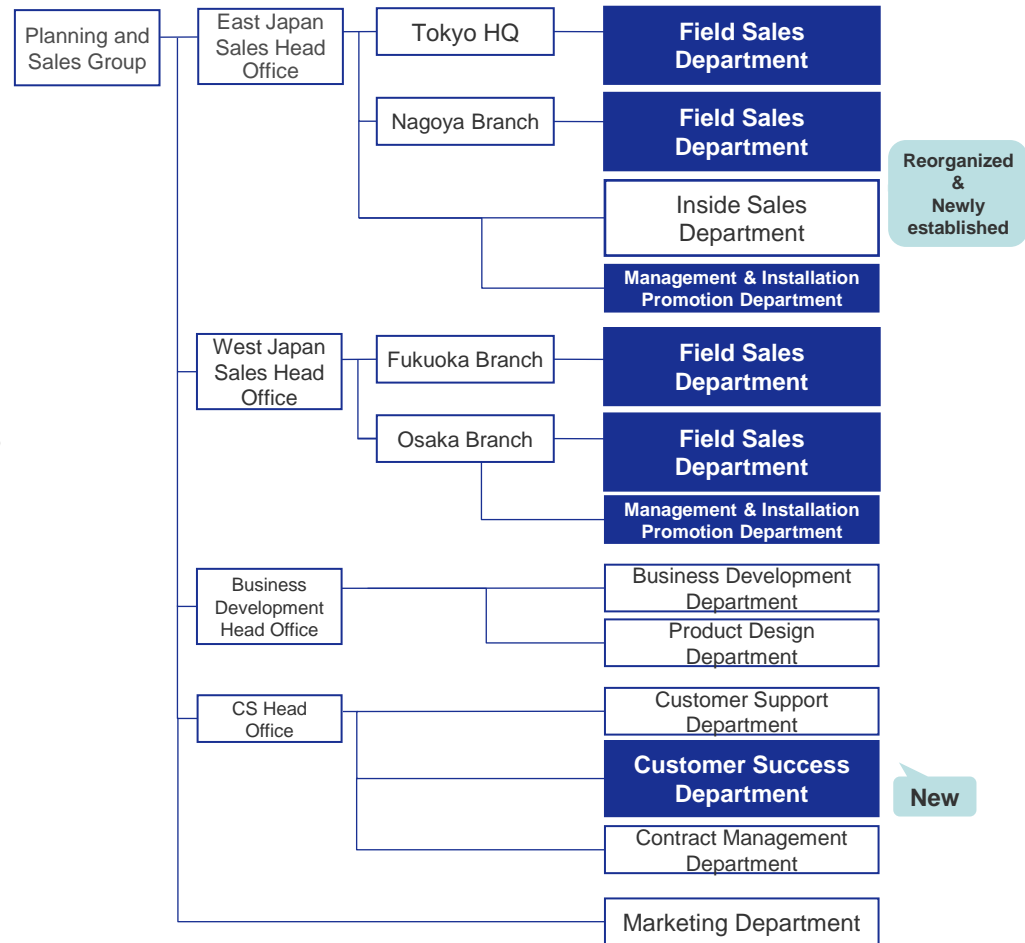


Restructuring of organizations for sales and support, and acceleration of speed of business growth

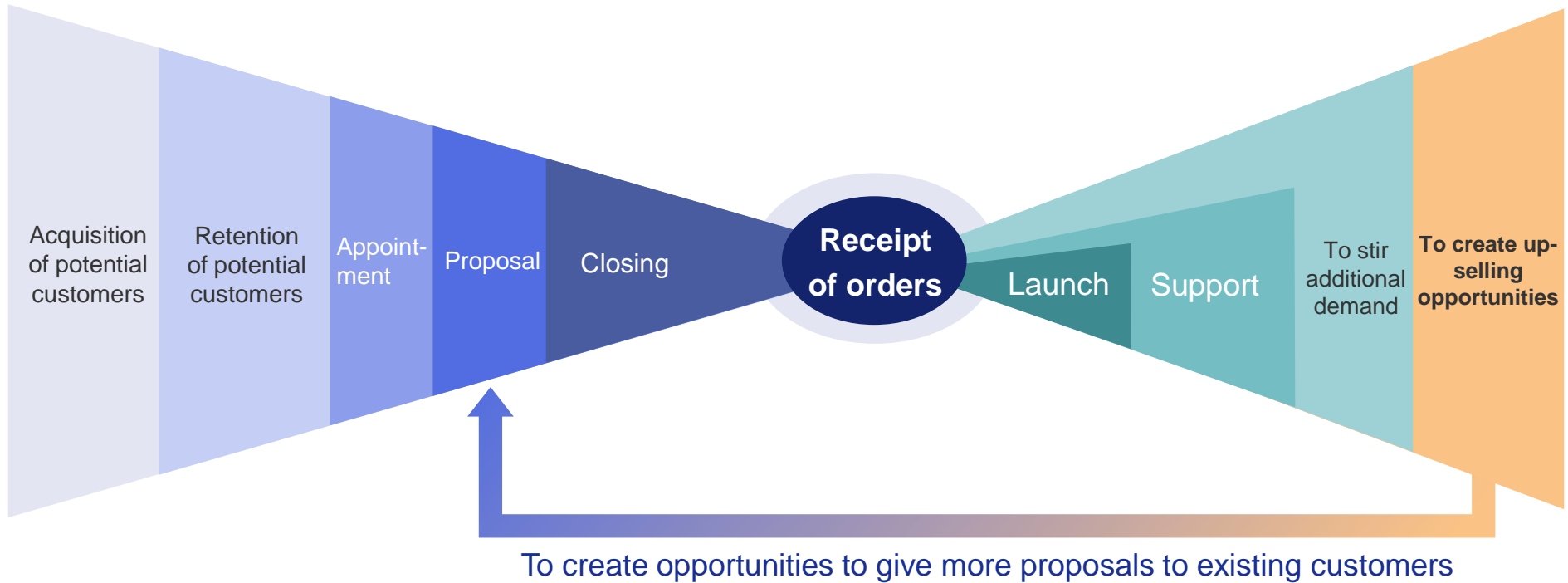
(Organizational structure as of December 1, 2020)



(Organizational structure as of April 1, 2021)



Restructuring to realize a sales system for flexibly approaching customers remotely and face to face
 “Management & Installation Promotion Department” was newly established for the purpose of offering services more swiftly.



Marketing	Inside Sales	Field Sales	Customer Success	Marketing
		Promotion of adoption of services	Support in installation	Inside Sales
<ul style="list-style-type: none"> • Seminars • E-mail newsletter & PR • Approach to industry associations 	<ul style="list-style-type: none"> • Targeting • Telemarketing • Online proposal 	<ul style="list-style-type: none"> • Online proposal • Direct proposal • Survey on operations • Conclusion of contracts 	<ul style="list-style-type: none"> • Determination on operation • Proposal for improvement in operations • Data transfer • Support in operation • To contact customers regularly • Customer care for increasing satisfaction level 	<ul style="list-style-type: none"> • Seminars • E-mail newsletter & PR • News release

Unit: Million yen

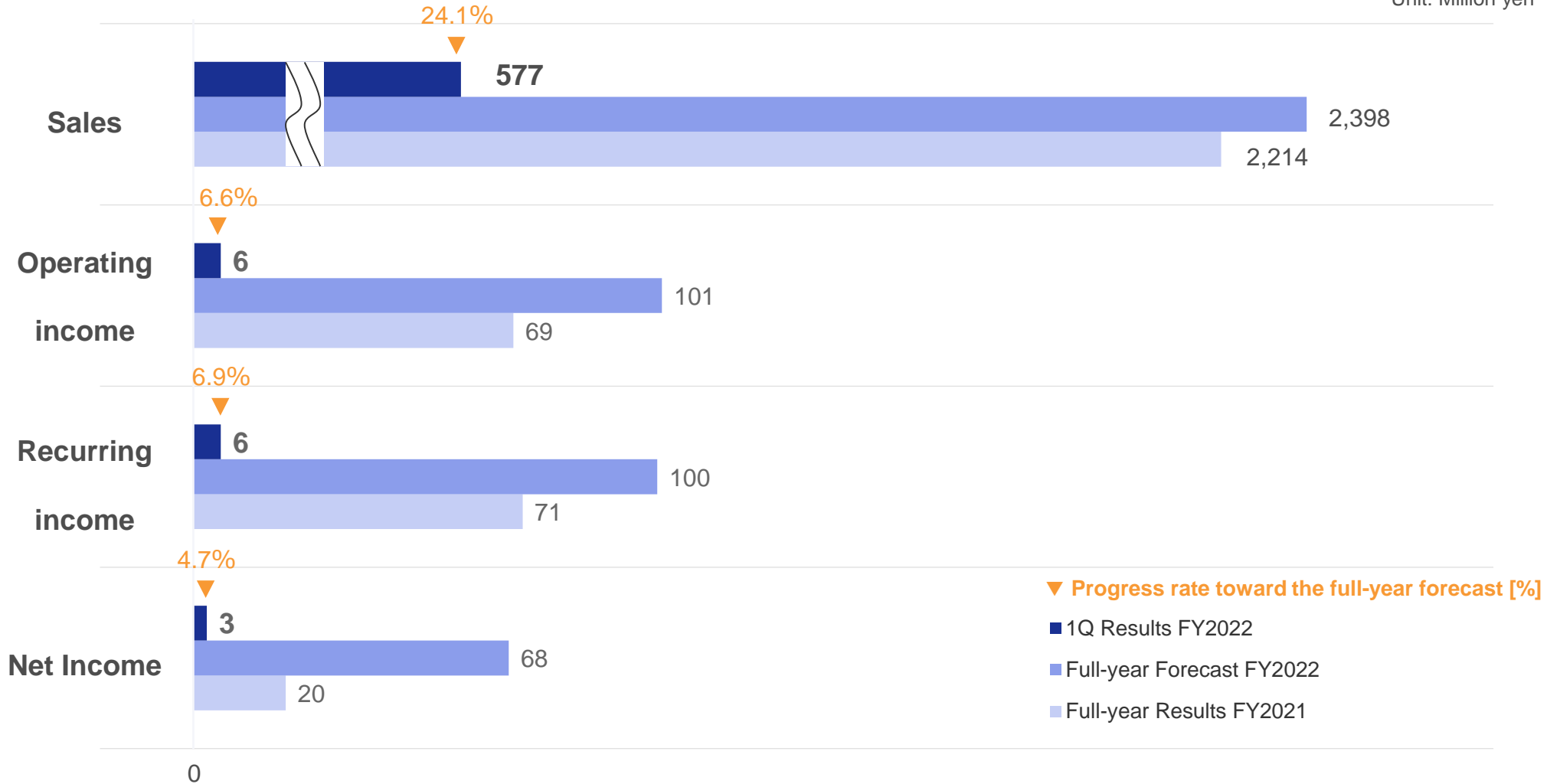
Consolidated	FYE 2022			Previous year (FYE 2021) Results		
	Full-term Forecast	1Q Results	Progress rate	Amount	YOY Change	YOY Change (%)
Sales	2,398	577	24.1%	2,214	184	8.3%
Operating income	101	6	6.6%	69	31	45.9%
Recurring income	100	6	6.9%	71	29	41.3%
Net Income	68	3	4.7%	20	48	238.3%
		Dividend per share				
Full-term dividend (forecast) (FYE March 2022)		5.00 yen				
Full-term dividend (result) (FYE March 2021)		5.00 yen				

* Forecast figures are based on information available at the time of this announcement, and includes uncertainty.
Actual results may differ materially from the forecast figures.

* Figures rounded down to the nearest million yen.

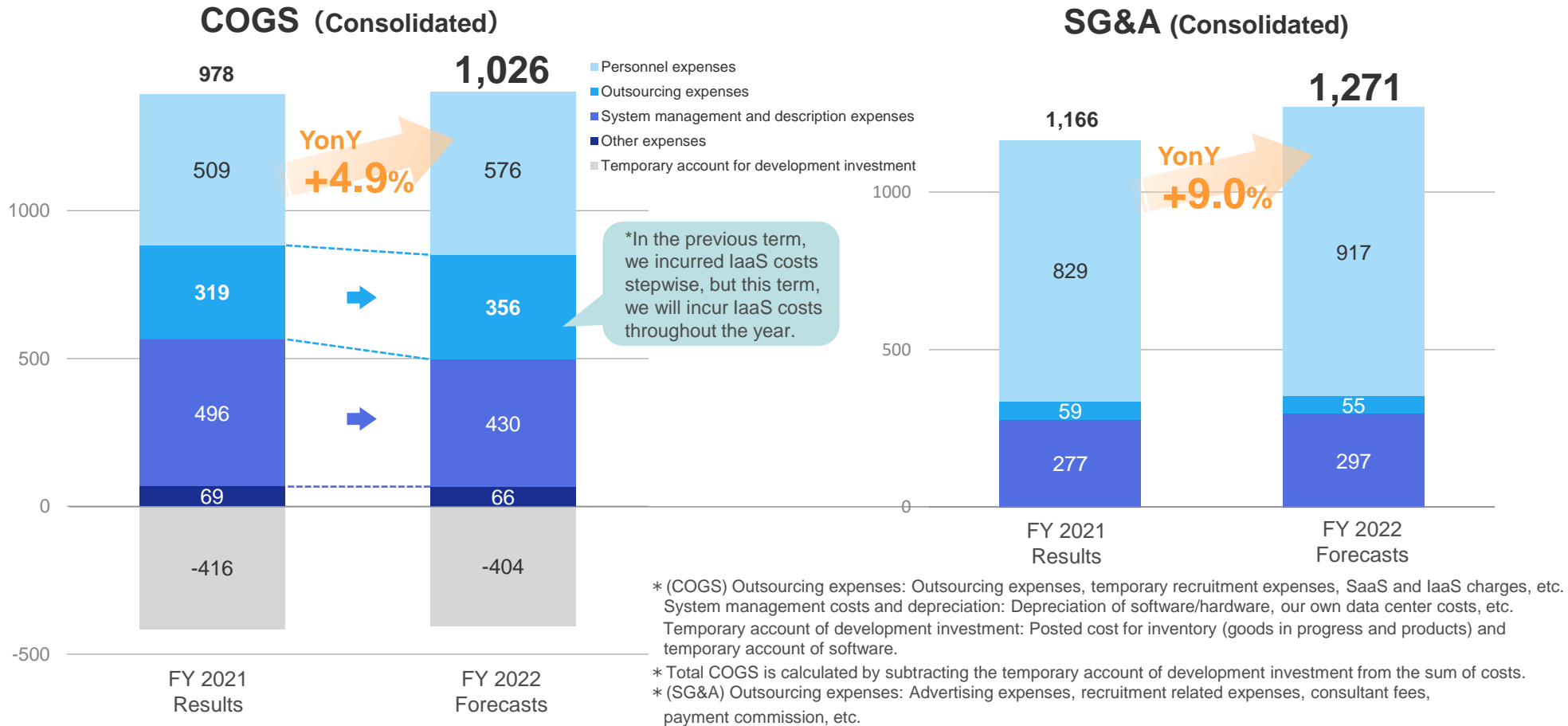
Progress rate toward the full-year earnings forecast

Unit: Million yen



* Forecast figures are based on information available at the time of this announcement, and includes uncertainty. Actual results may differ materially from the forecast figures.

* Figures rounded down to the nearest million yen.



- **COGS:** Unlike the previous fiscal year, we incurred IaaS charges, which are included in outsourcing expenses, throughout the year. The cost for in-house data centers, whose parallel operation was discontinued, will no longer be posted, resulting in significant decline in system management and depreciation expenses.
- **SG&A:** We continue marketing/sales/support systems mainly online and an increase in personnel.

* Figures rounded down to the nearest million yen.

I Target Index

Number of clients

5,000
companies

Monthly ARPU

more than **¥100,000**

Subscription gross profit margin

more than **70%**

1 Expand and grow our client base

To keep increasing clients by evolving services and enriching the systems for the support for installation and clients

2 Improve sales and operation efficiency

To increase average spending per customer by offering one-stop services.

To prolong usage period of our services by improving operational support and service level. To expand LTV (customer’s lifetime value)

3 Future growth

Evolution into real estate trade platforms

3. Business Overview

Mission

To make the real estate market, which is related to “housing” as the bedrock for daily lives of people, more satisfying for all participants.

Vision

To become an essential integral information infrastructure for the real estate market, where a variety of information on real estate is put together.



To offer vertical SaaS specializing in the real estate field

- Characteristics of the real estate market

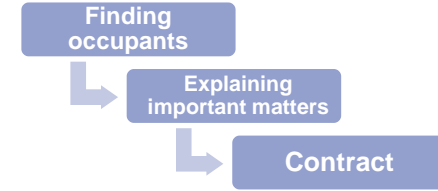
Overwhelming majority is small and medium-sized business operators



They exist across the country.



Every company has similar business flow as determined by the laws.



Cloud/SaaS solution provided by us

Subscription service

- Monthly fees for cloud/SaaS
- Can be installed without in-house HW equipment.
Small amount of initial investment
- Online support available everywhere in the country
- Equipped with standard functions, constantly evolving

✓ Extensive coverage of market needs



Feedback of knowledge and know-how to function development etc.

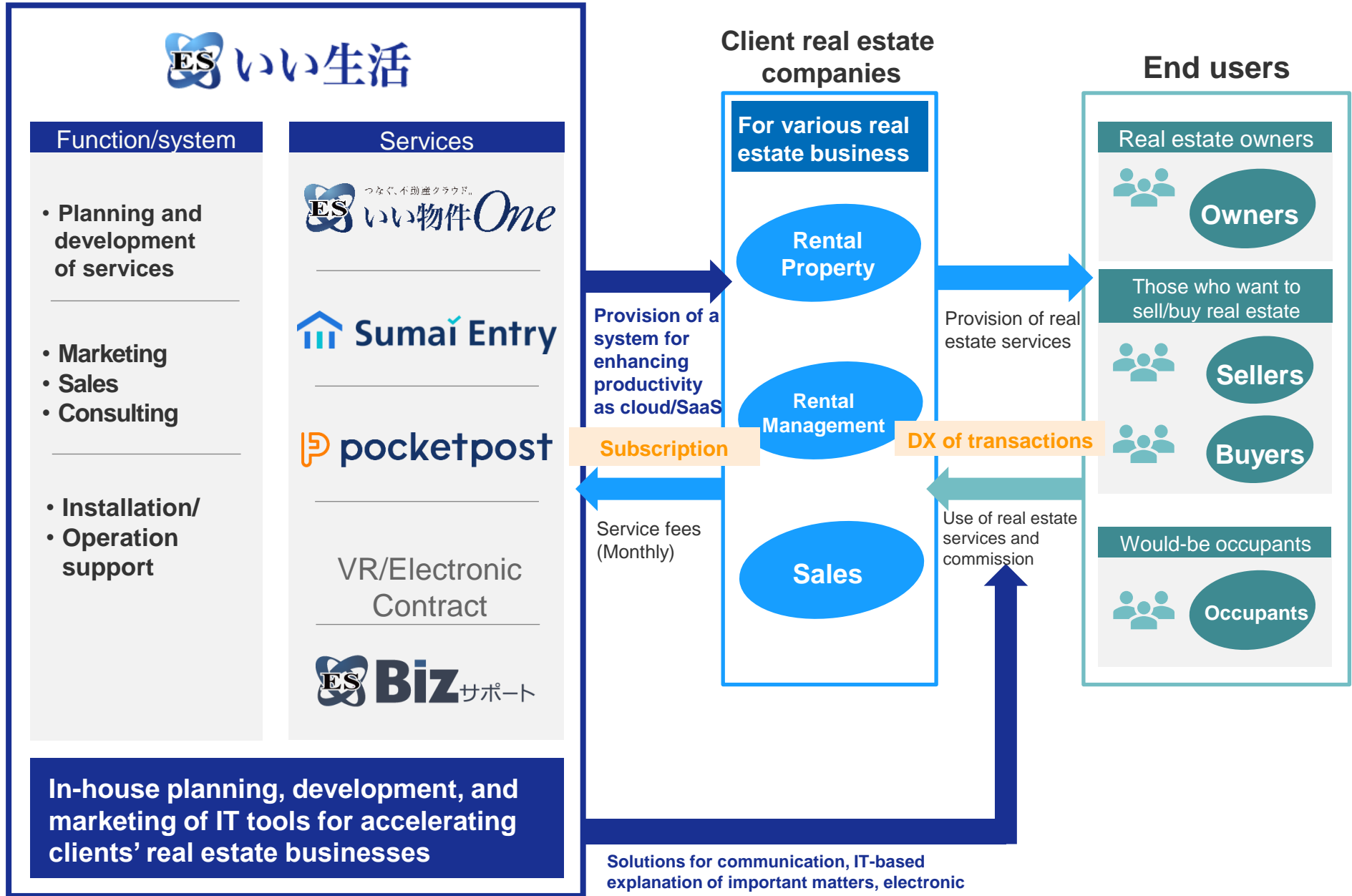
Complementing customer needs that cannot be covered by standard models

Spot service

- Initial setting fees for cloud and SaaS systems
- Support for installing and operating our cloud/SaaS (BPO)
- Consigned development of systems and applications
- Agency sales of other companies' services.

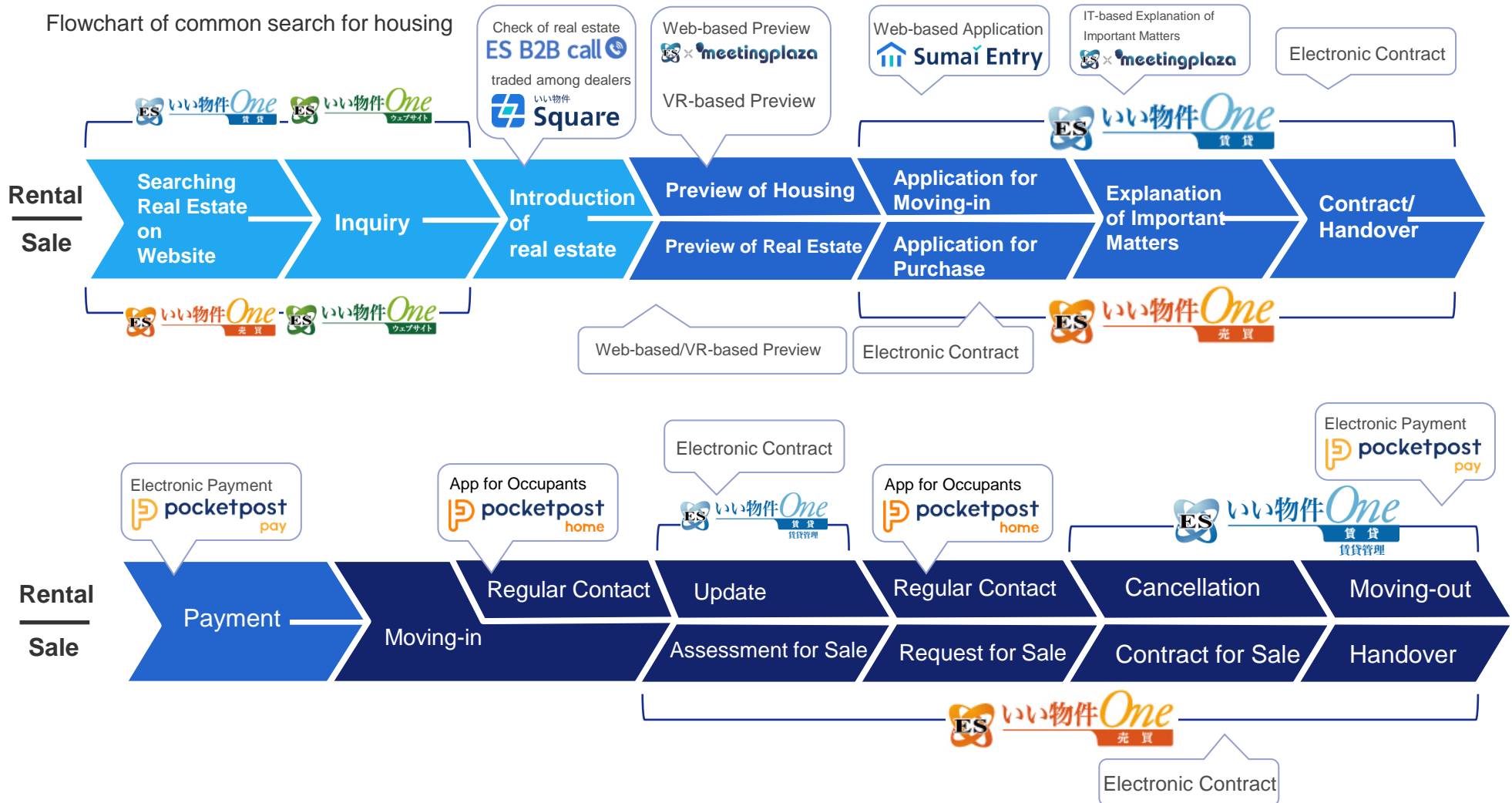
✓ Deeply meet the individual needs of each customer

*According to "Statistics of Real Estate Industry in 2020" (Real Estate Transaction Promotion Center), real estate enterprises with 4 or less employees account for about 86% of the total number of real estate enterprises: 353,558 (as of 2014).



To offer SaaS that will be used **seamlessly** in every real estate scene

Flowchart of common search for housing





*PM = Property Management. In order to increase the added value of real estate, an expert manages real estate for rent on behalf of the real estate owner.
 *CRM = Customer Relationship Management. A method for collecting and analyzing customer information to improve the efficiency of sales activities.
 *Digital data marketing = Activities that acquire new profit opportunities and lead to business growth by taking advantage of digital technologies and data such as the Internet and IT
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Rental brokerage and management

(Information on real estate and customers)

(Information on contracts, income and expenditure, and transactions)



Database

Information on real estate

- Automatic compression of images
- Sharing by shops
- Assistance in inputting suggestions
- It is possible to upgrade or delete data at once.

Information on customers

- Feedback
- Registration of desirable conditions
- Check of records on marketing targeted at potential customers
- Sending and receipt of messages

Management information

- Transaction ledger
- Contracts for outsourcing management
- Management of transactions (repair)
- Rent management and report on income and expenditure

- Unified management of all kinds of information regarding real estate in the field of rental brokerage and management, including information on real estate, customers, and outsourcing of management
- Multiple shops can share information by taking advantage of cloud and SaaS systems. It is possible to support marketing, manage contracts and cash flows from rents, and produce reports on income and expenditure.
- Through the combined use and linkage with other services of our company, such as online application for moving in an apartment (Sumai Entry), it is possible to streamline operations and achieve DX.

Property/customer information database



Information on real estate

- Automatic compression of images
- Sharing by shops
- Assistance in inputting suggestions
- It is possible to upgrade or delete data at once.

Information on customers

- Feedback
- Registration of desirable conditions
- Check of records on marketing targeted at potential customers
- Sending and receipt of messages

- Unified management of all kinds of information on real estate in the trading field, such as information on real estate and customers
- Multiple shops can share information by taking advantage of cloud and SaaS systems. It is possible to support marketing, manage contracts, assess properties, and offer follow-up services to sellers.
- Through the combined use and linkage with other services of our company, it is possible to streamline operations and achieve DX.

Services for booking previews online and applying for moving in an apartment/house

The graphic features the Sumai Entry logo at the top center. Below it, a large blue background contains a white plus sign in a circle. To the left of the plus sign is the text 'Online application' and to the right is 'Booking for room previews'. Below these, a white banner reads 'Sumai Entry became more convenient.' At the bottom, two computer monitors and a smartphone are shown. The left monitor displays a 'Sumai Entry' web interface with a table of listings. The right monitor shows a 'Sumai Entry' web interface with a list of listings. The smartphone shows a notification for a 25% discount on a listing.

- Real estate brokers and management firms can process applications for booking previews automatically and 24 hours a day, 365 days a year.
- Users can apply for moving in an apartment/house with a smartphone. This makes processes for receiving and examining applications paperless.
- Linked with the real estate information in “ES e-Bukken One” and “ES-B2B Rental,” streamlining operations considerably.
- Sharing of information with rental guarantee companies, to save labor in all processes

Communication apps for occupants and owners



App for occupants



App for owners



Service for payment settlement with a smartphone

※Cooperation with SMBC GMO PAYMENT, Inc.

- Interactive communication means with less time and locational constraints, which would replace telephone, mails, message boards, etc.
- Users can see billing information sent to these apps, and pay charges with a smartphone while traveling or going out.

■ A new BtoB platform for facilitating the BtoB distribution of real estate for rental

Online service for distribution among rental agencies



E-Bukken Square

- ✓ Account registration is free of charge
- ✓ Real-time linkage with ES e-Bukken One

Total No. of accounts: **13,377!**※

No. of properties disclosed: **130,000!***



*as of May 7, 2021

- It offers mainly information on real estate handled by medium and large-sized real estate companies that have multiple shops, which are our main clients.
- It offers vacancy information, which is updated on a real-time basis, to SaaS users and also other real estate companies, and promote them to adopt our cloud and SaaS services through product marketing.

Tool for producing websites regarding real estate



Centered management of property advertisements



Completely responsive design

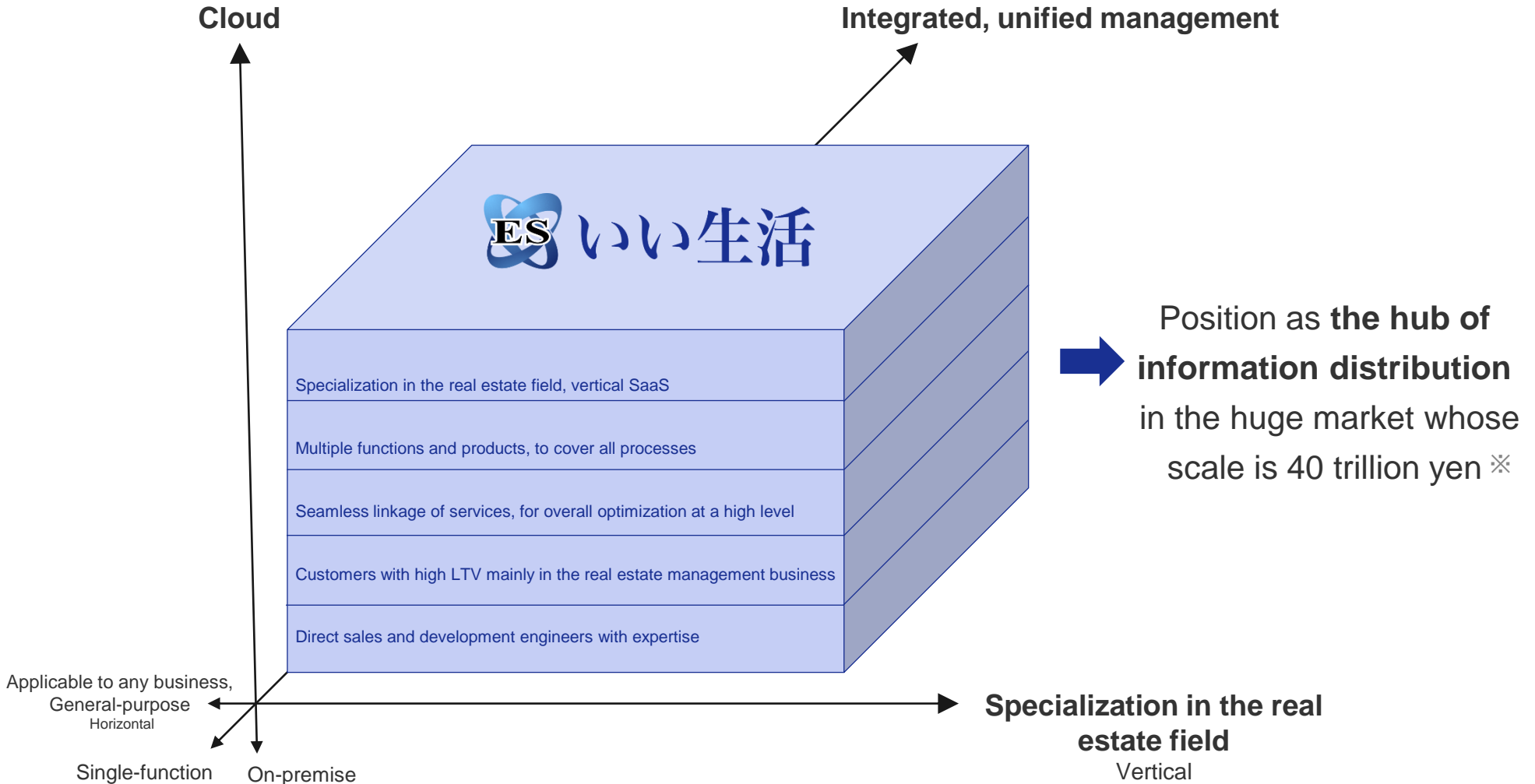


It can be designed and edited internally by each company.



- It is possible to produce a company's website optimized for introducing real estate in a fully responsive manner, to support the digital marketing of real estate firms.
- It is possible to produce a practical company's website with plentiful templates and simple operation, change its designs, and update its contents in house.

Specialization in the real estate market × Cloud × Unified management = **Sustainable competitive edge**

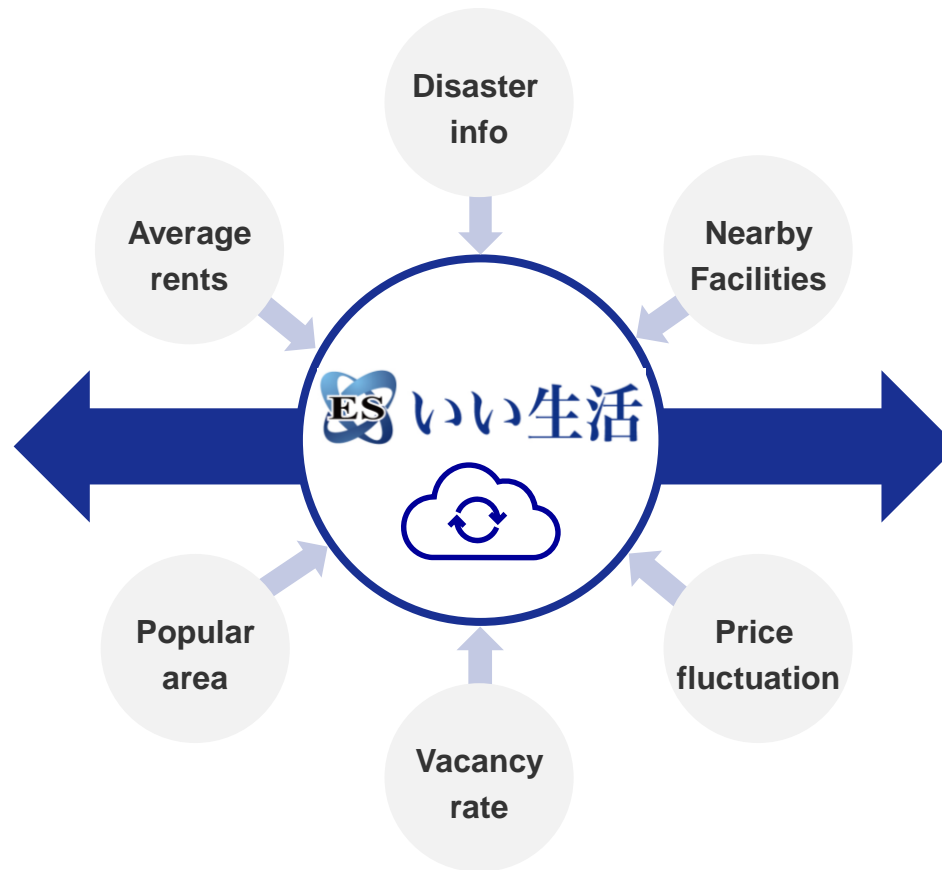


* According to the "Statistical Survey on Corporations in Fiscal 2019" of the Ministry of Finance, the annual sales of the realty business amounted to 45,383.5 billion yen.

End users



- Procedures for finding housing will become easier and convenient, with application for moving in with smartphones
- Users can look for housing freely and smartly, by using Online Preview
- Transformation of the housing market with digital technology





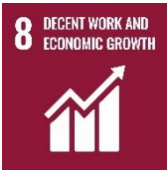






Real estate companies



- To support the development of a management structure with an effective BCP that can adapt to New Normal in the post-pandemic era
- By streamlining back-office operations, more focus will be placed on the support for their customers such as occupants and owners.
- To support decision making and designing managerial strategies based on collected data and facts.

- To develop a **cloud based data platform** to collect all kinds of data on real estate via cloud and SaaS services for supporting business operations.
- To offer various digital technology-based services to users and real estate companies, **to promote the digital transformation (DX) of the entire real estate market**, and to improve the satisfaction level of all stakeholders.

e-Seikatsu will tackle various social issues through business, and contribute to solving them.

Materiality of e-Seikatsu	Related goals
<p>Creation of personnel who would trigger changes</p> <ul style="list-style-type: none"> • Creation of advanced IT personnel • Promotion of new workstyles • To provide a wide range of personnel with opportunities to flourish 	  
<p>To offer innovative, high-quality services that would bring added value to society</p> <ul style="list-style-type: none"> • Creation of services with high added social value • Continuous improvement in quality • Emphasis on information security 	 
<p>Contribution to the residential environment through business</p> <ul style="list-style-type: none"> • Formation of the appropriate real estate market by adopting IT • To secure the appropriate accessibility to the market for all people by rationalizing the market • To contribute to the development of the real estate market as a base for supporting people and society in cooperation with stakeholders 	
<p>To actualize an environmentally-friendly, affluent, sustainable society with IT and DX</p> <ul style="list-style-type: none"> • To execute business operations with low environmental burdens • To contribute to the online market and the environmentally-friendly real estate industry in cooperation with stakeholders • To contribute to the sound development of local communities in cooperation with stakeholders throughout Japan 	  

*“SDGs” stands for Sustainable Development Goals. International goals for realizing a sustainable, better world by 2030, adopted at the UN Summit in Sep. 2015. Composed of 17 goals and 169 targets.

Established : January 21, 2000

Paid-in capital : 628,411,540 yen (As of the end of June 2021)

Listing : Second Section of the Tokyo Stock Exchange (Code: 3796)

Relationship banks : MUFG Bank, Ltd., Mizuho Bank, Ltd., Resona Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation

of employees : 194 (As of the end of June 2021)

Governance System : Company with Audit Committee

Officers :	Chairman	Kiyotaka Nakamura	Outside Director (Independent Director), Full-time Audit and Supervisory Committee Member	Akira Hirano
	President, Representative Director & CEO	Zenichi Maeno	Outside Director (Independent Director), Audit and Supervisory Committee Member	Masahito Omachi
	Representative Director & CFO	Hiroyuki Shiokawa	Outside Director (Independent Director), Audit and Supervisory Committee Member	Haruo Narimoto
	Representative Director & COO	Hiroyoshi Kitazawa		
	Managing Director, CTO	Akira Matsuzaki		

Audit Corporation : Kisaragi Audit Corporation

Offices :	Headquarters	〒106-0047	2-32, Minamiazabu 5-chome, Minato-ku, Tokyo
	Osaka office	〒530-0011	4-20, Ofukacho, Kita-ku, Osaka-shi, Osaka
	Fukuoka office	〒812-0011	25-21, Hakataeki Mae 3-chome, Hakata-ku, Fukuoka-shi, Fukuoka
	Nagoya office	〒450-6419	28-12, Meieki 3-chome, Nakamura-ku, Nagoya-shi, Aichi



Technology × Real Estate Field

e-Seikatsu is a “Real estate tech” company that aims to realize a better real estate market by technology.

To subscribe to “IR News Mail,” which will inform you of a variety of IR info on our company, access the following URL.

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