

Robot Home

A life with Robot Home can change the world.

Robot Home, Inc. FY2022 1Q FINANCIAL RESULTS

May 2022 Robot Home, Inc. (TSE Prime:1435)

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1. FY2022 1Q Financial Results Overview

Company overview

Name Robot Home, Inc.

Head office 7-4-15, Ginza, Chuo-ku, Tokyo

Established January 23, 2006

Representative Daisaku Furuki, Representative Director/CEO

Capital 10 million yen

Employees 180 persons

(consolidated basis / full-time employees / as of March 31, 2022)

Businesses

AI/IoT business

PM platform business

income club business (*)

Subsidiaries

Residence kit, Inc.

TABICT, Inc.

Sunassu Co., Ltd.

income club Inc.

IDC Inc.

* Real estate consulting business changed its name to income club business.

Business development

Development of three businesses leveraging AI and IoT technological capabilities

AI / IoT business

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

PM platform business

- PM platform leveraging AI and IoT

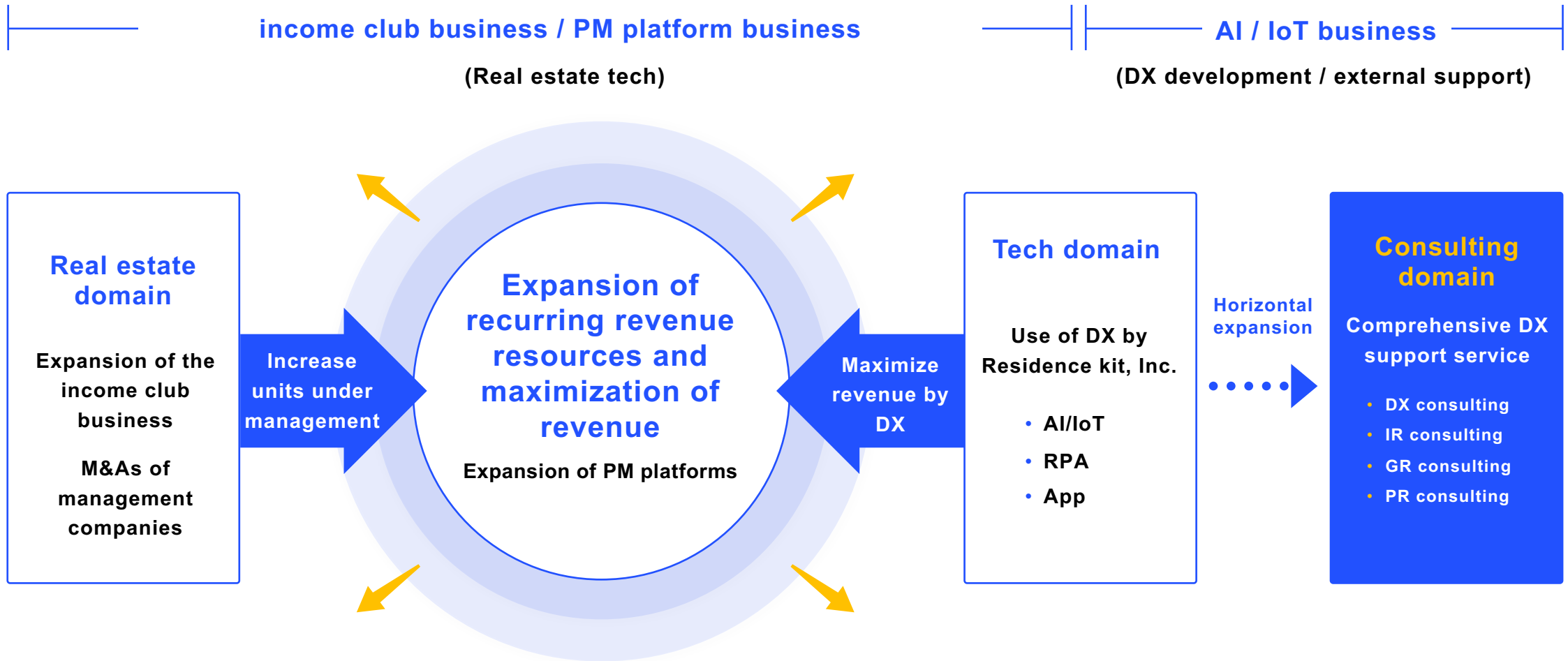
PM business /
guarantee business /
maintenance business

income club business^(*)

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

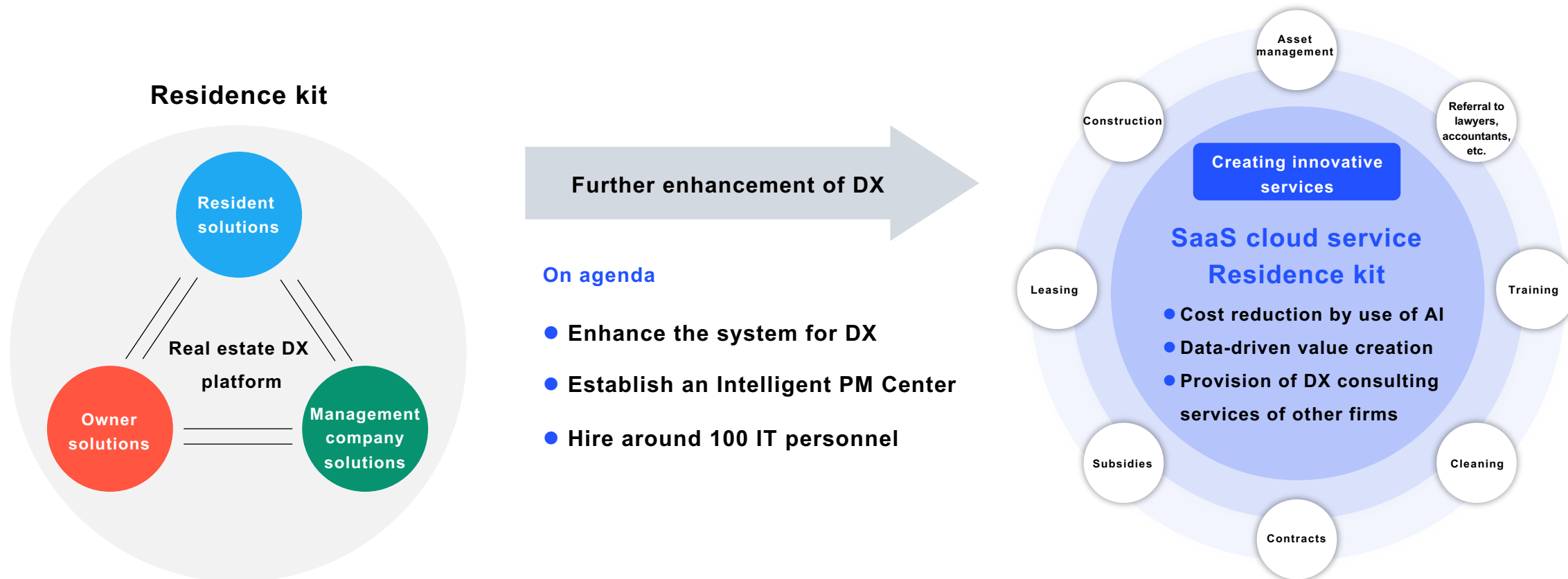
* Real estate consulting business changed its name to income club business.

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



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

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



On agenda

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

FY2022 1Q Highlights

- Increased both net sales and operating profit by sustainably expanding revenue of “stock business” (subscription)
- Started strategic IT investment to further enhance the system for DX
- “CRASTINE +e, ” a property developed by the Company, received the highest five-star rating in “BELS*”

* BELS (Building-Housing Energy-efficiency Labeling System) is a public certification system that evaluates buildings' energy-efficiency performance on a five-scale rating that real estate agents and certain other parties are required to make efforts to label under the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act) enforced in April 2016.

Consolidated statements of income

(Unit: million yen)	FY2021 1Q	FY2022 1Q	YoY Change
Net sales	852	1,181	328
Gross profit	618	776	157
Selling, general and administrative expenses	482	629	147
Operating profit	135	146	10
Ordinary profit	160	176	15
Profit attributable to owners of parent	143	172	29

* The figures for FY2021 Q1 are reported in compliance with the new revenue recognition accounting standard.

- Increased both net sales and operating profit by sustainably expanding revenue of “stock business” (subscription)
- Started strategic IT investment to further enhance the system for DX

Segment Information

	(Unit: million yen)	FY2021 1Q	FY2022 1Q	YoY Change
AI/IoT business	Net sales	77	99	22
	Operating profit	27	56	29
PM platform business	Net sales	550	710	160
	Operating profit	337	360	23
income club business	Net sales	224	371	147
	Operating profit	▲16	25	41

* The figures for FY2021 Q1 are reported in compliance with the new revenue recognition accounting standard.

- Net sales and operating profit increased in the AI/IoT business due to the contribution to revenue by comprehensive DX support service
- Net sales and operating profit increased in the PM platform business due to expansion of service into domains related to PM
- Operating profit recorded a surplus in the income club business due to its full-scale operation

Consolidated balance sheets

(Unit: million yen)	December 31, 2021	End 1Q, FY 2022	YoY Change
Current assets	8,015	8,196	180
Cash and deposits	4,648	4,511	▲ 136
Inventories	2,798	3,043	244 (*)
Non-current assets	1,889	2,136	246
Total assets	9,905	10,333	427
Liabilities	2,378	2,863	485
Interest-bearing debt	367	570	203
Net assets	7,527	7,469	▲ 57
Total liabilities and net assets	9,905	10,333	427

- Increase in inventories portfolio for the next growth phase (*)
- Equity ratio: 71.9%
- Repurchase of the Company's own shares worth ¥99 million
- Dividend of surplus: ¥90 million

2. Robot Home Growth Strategy

Announcement on receiving the highest rating for “BELS Certification” and standardization of specifications

“CRASTINE +e,” an investment apartment with superior energy-efficiency performance, received the highest rating in the “Building-Housing Energy-efficiency Labeling System (BELS).” The Company has determined to make “CRASTINE +e” a standard specification for its properties to be developed.

“CRASTINE +e”, the highest five-star rated apartment for its energy-efficiency, becomes a standard specification for our properties

The first property of “CRASTINE +e,” which is an investment apartment with superior energy-efficiency performance developed by the Company, received the highest five-star rating in the Building-Housing Energy-efficiency Labeling System (BELS) under which a third-party organization evaluates the energy-efficiency performance of buildings in accordance with evaluation standards provided by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). The Company continues to promote its environment-friendly initiatives such as reduction of CO₂ emissions to create a sustainable society by making “CRASTINE +e” a standard specification for its properties to be developed.

- CRASTINE +e’s logo

CRASTINE +e

- About BELS



BELS is a public certification system that evaluates buildings’ energy-efficiency performance on a five-scale rating that real estate agents and certain other parties are required to make efforts to label under the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act) enforced in April 2016.

AI / IoT business

Net sales

¥99million

Operating profit

¥56million

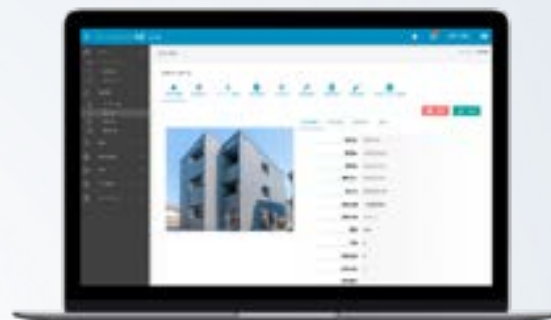
Outline of IoT platform for rental housing, “Residence kit”

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

Assets × **AI / IoT**

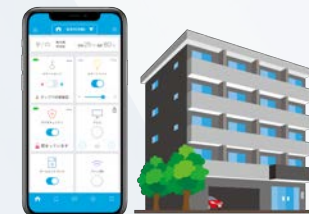
Increasing asset value by utilizing AI/IoT

Residence **kit**
for PM



Residence **kit**
for Customer

Move-in



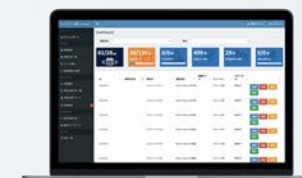
Residence **kit**
for Owner

Ownership



Residence **kit**
for Maintenance

Maintenance

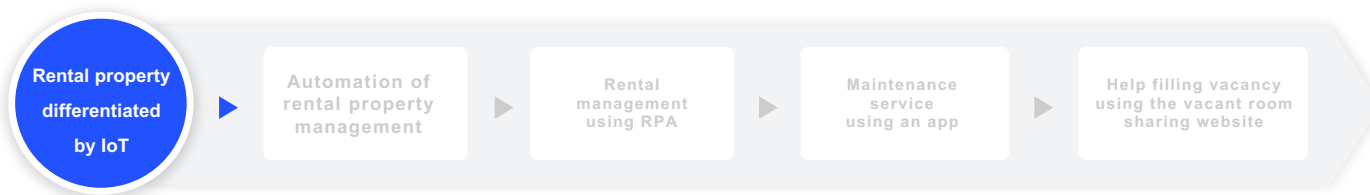


Residence **kit**
for Agent

Receipt of move-in request

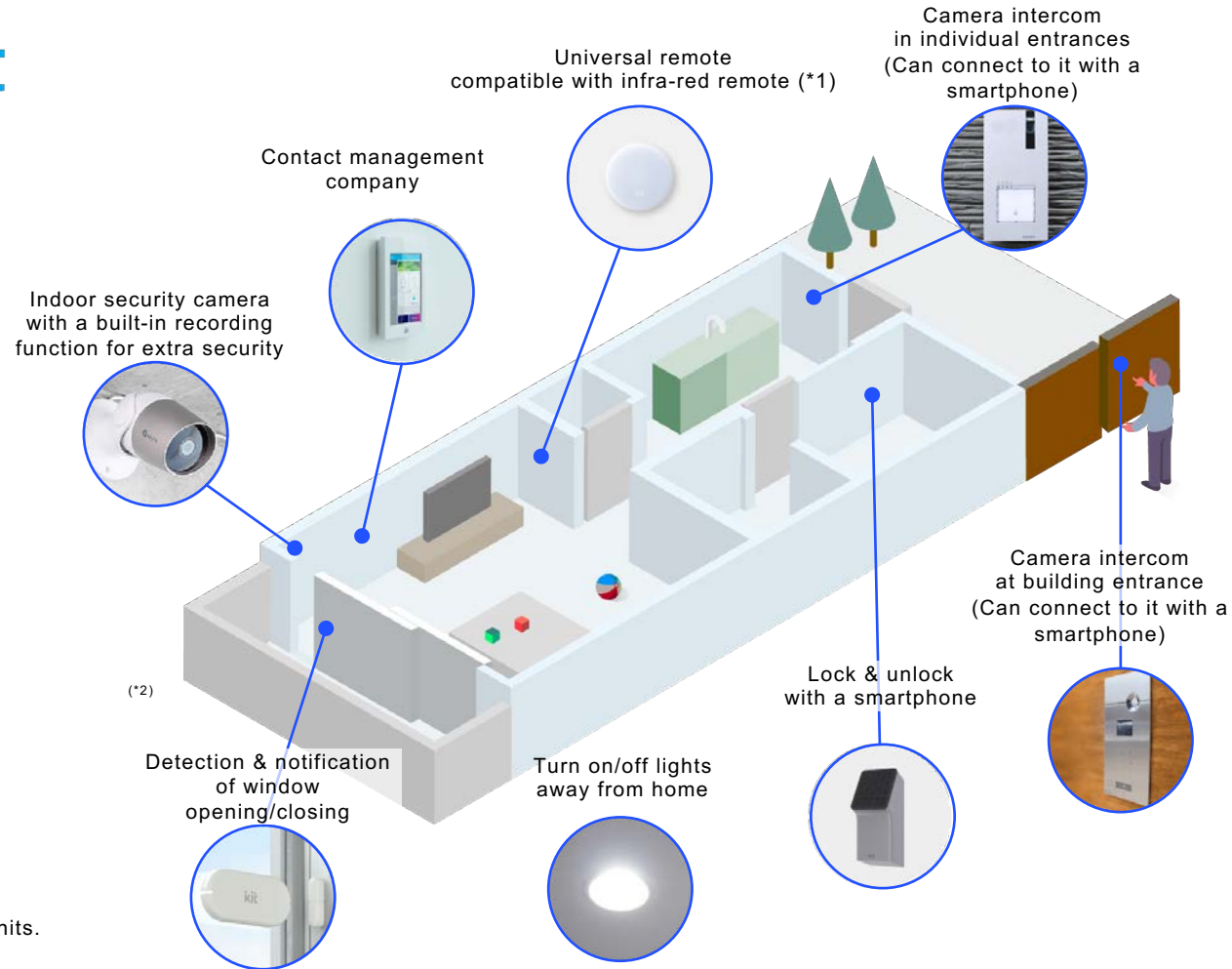


Room with IoT devices controlled easily with a smartphone



Residence **kit**

for Customer



Introduced in more than **10,000 units** and continues to increase steadily.

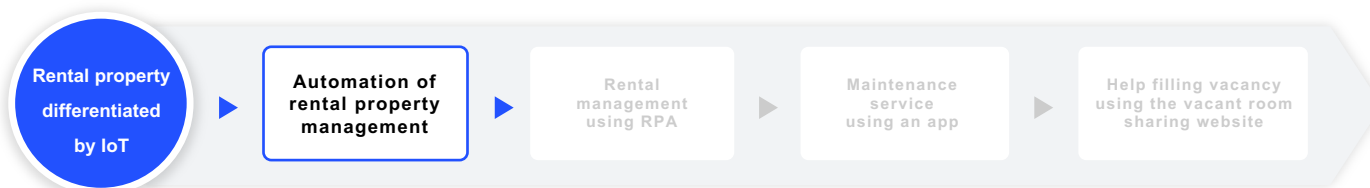
Number of units that introduced IoT

10,096

(As of March 31, 2022)

*1 Some functions may not be available in all units.
*2 The apartment layout is a sample.

Owners can manage rental housing operations with the app



Residence **kit** for Owner



Receipt of a move-out request



Confirmation of work details



Preview status



Receipt of move-in request



Online contract signing



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

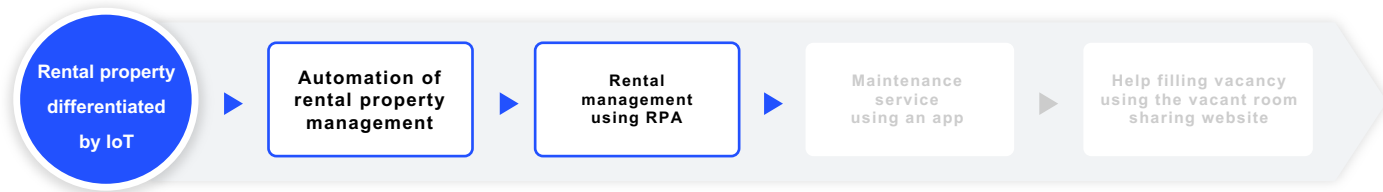
App helps owners manage their rental properties, from previews to collecting rents and placing orders to suppliers, etc.

Number of owners

1,966

(As of March 31, 2022)

Management companies can streamline operations with RPA



Residence **kit** for PM

Manage moving-in/moving-out

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

Manage information

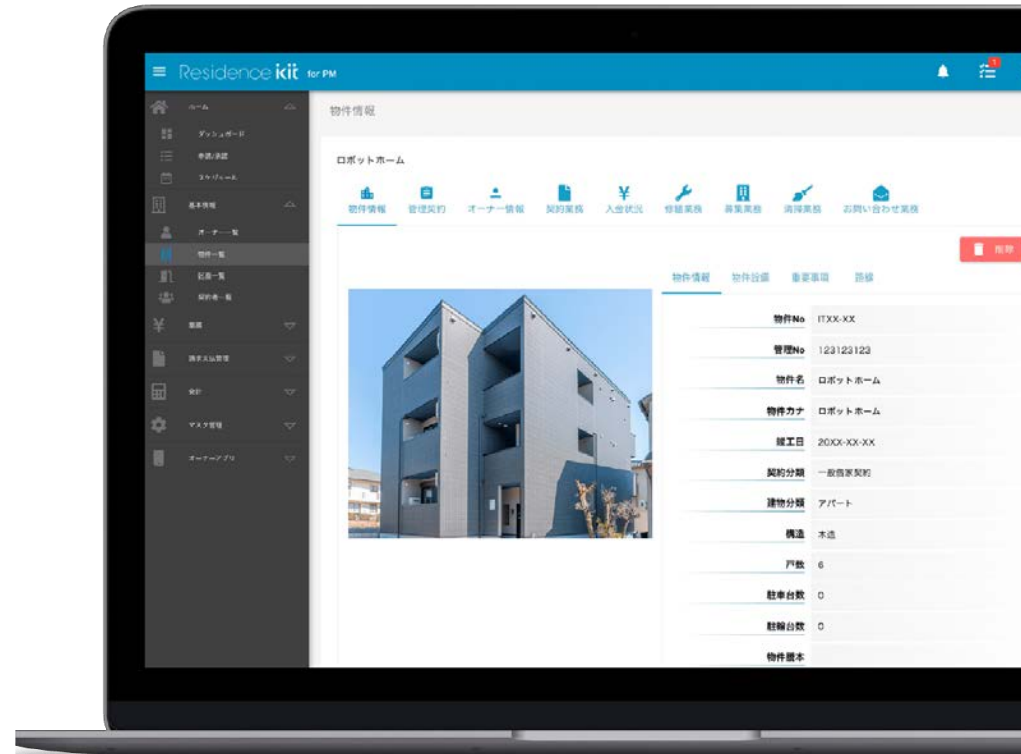
Management of property information, management of and search for owner information

Management of remittance history

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

Management of documents

Management of contracts, remittance statements, and bills



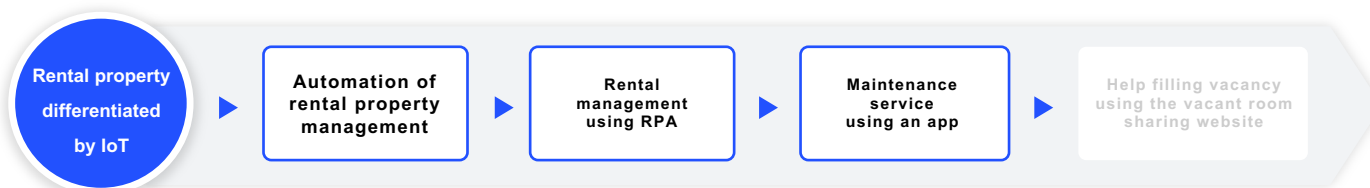
Reduces vacancy risk and improves service quality by streamlining operations utilizing RPA.

Number of units that introduced RPA

25,232

(As of March 31, 2022)

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



Residence **kit** for Maintenance

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

Optimized routes

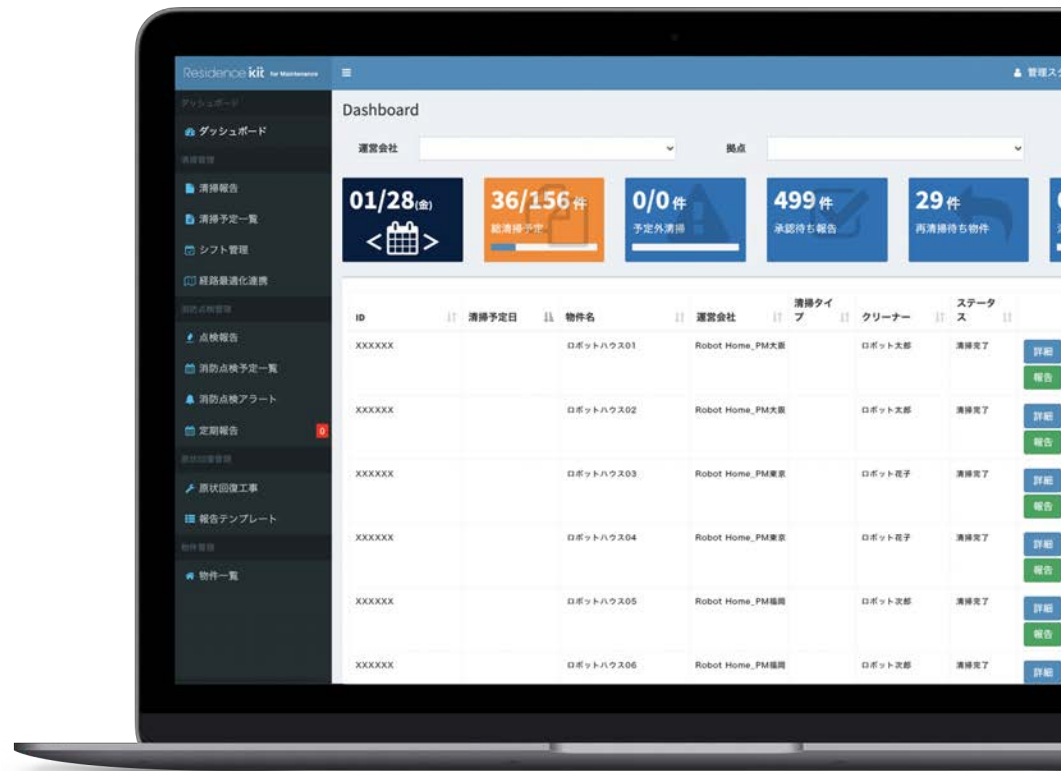
Maximally efficient routes are presented to janitors.

Automatically generated reports

Quality is maintained through completion reports with images attached.

Management screen

The cleaning status can be confirmed at a glance.



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

Walk-around cleaning

65,081 times

Fire-fighting inspection

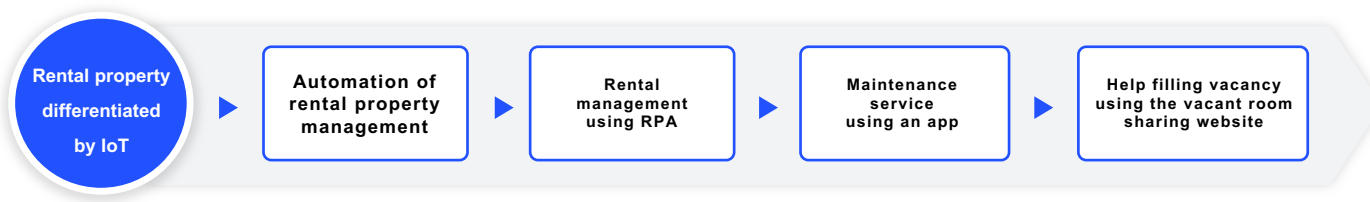
5,946 times

Restoration work

2,799 cases

(As of March 31, 2022)

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



Residence **kit** for Agent

Management companies

Post and update latest information



Agents

See latest information



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

Number of registered agents

6,212

registered agents in

19

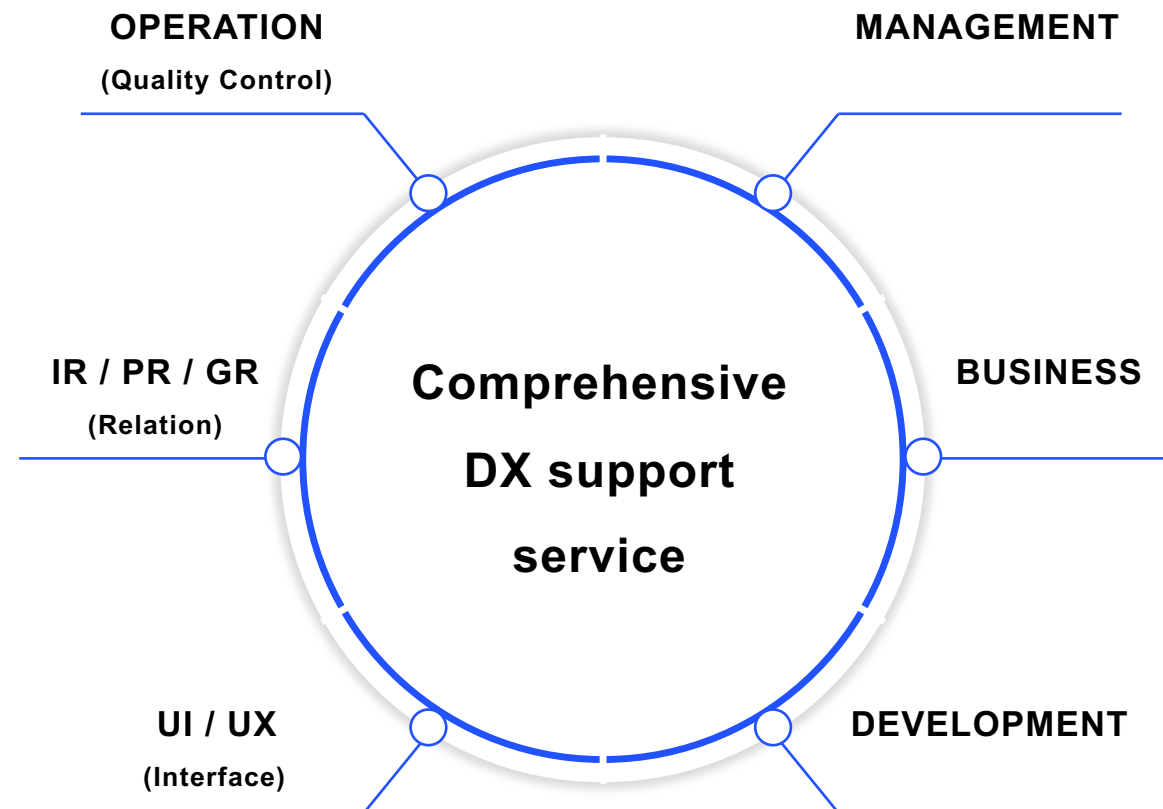
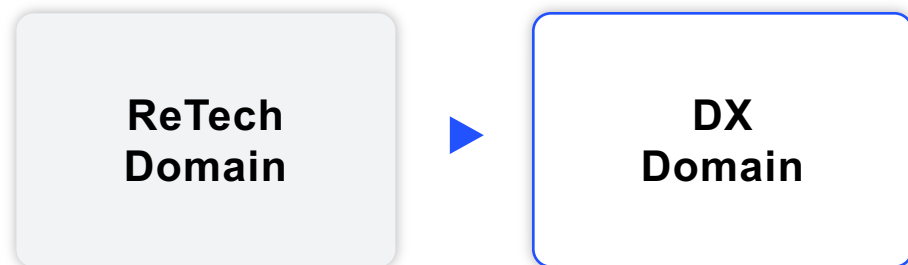
prefectures nationwide

(As of March 31, 2022)

Overview of comprehensive DX support service

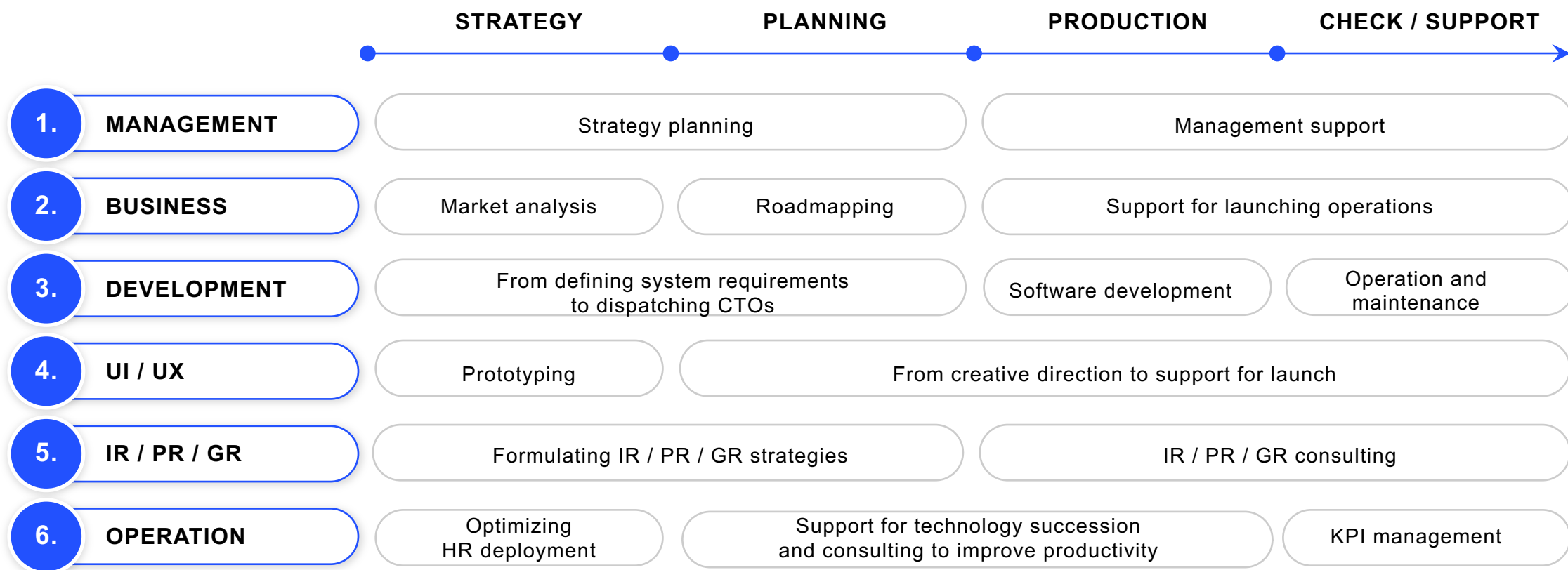
Launched a comprehensive DX support service drawing on our experience of developing and running various in-house products combining real estate and IT

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



Overview of comprehensive DX support service

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



Current clientele of comprehensive DX support service

Current clientele: 23companies. (As of March 31, 2022)



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

PM platform business

Net sales

¥710million

Operating profit

¥360million

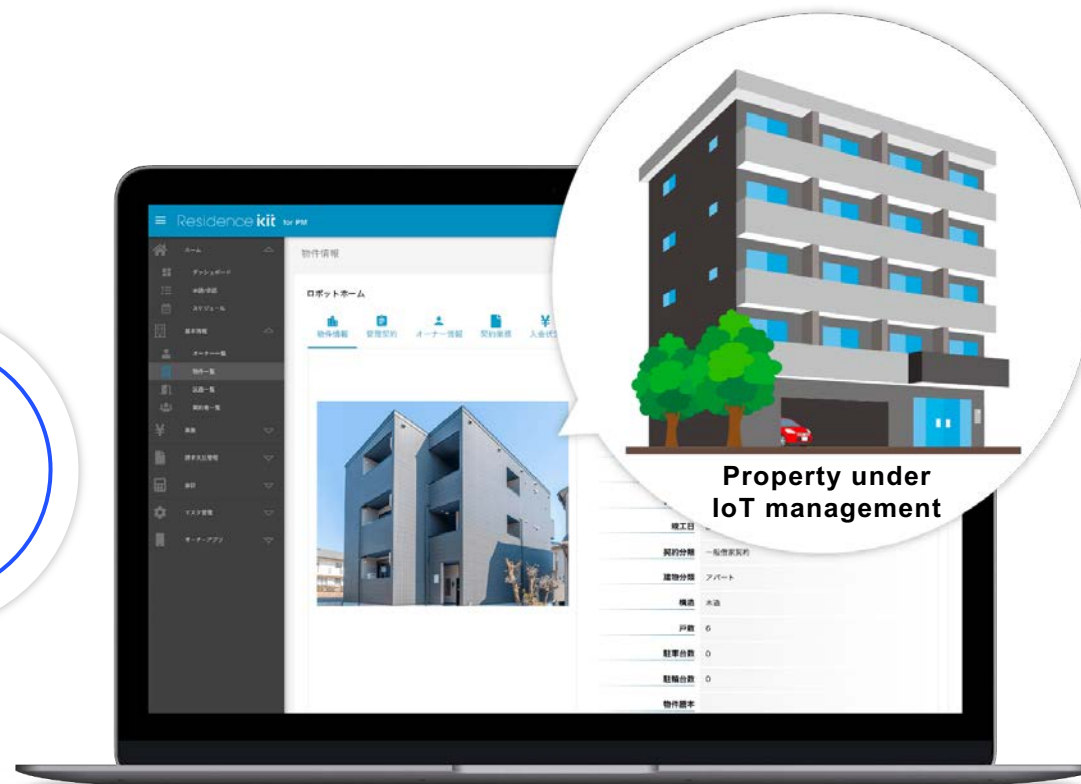
PM business utilizing technologies including AI / IoT



Tenants' app
(Residence kit for Customer)

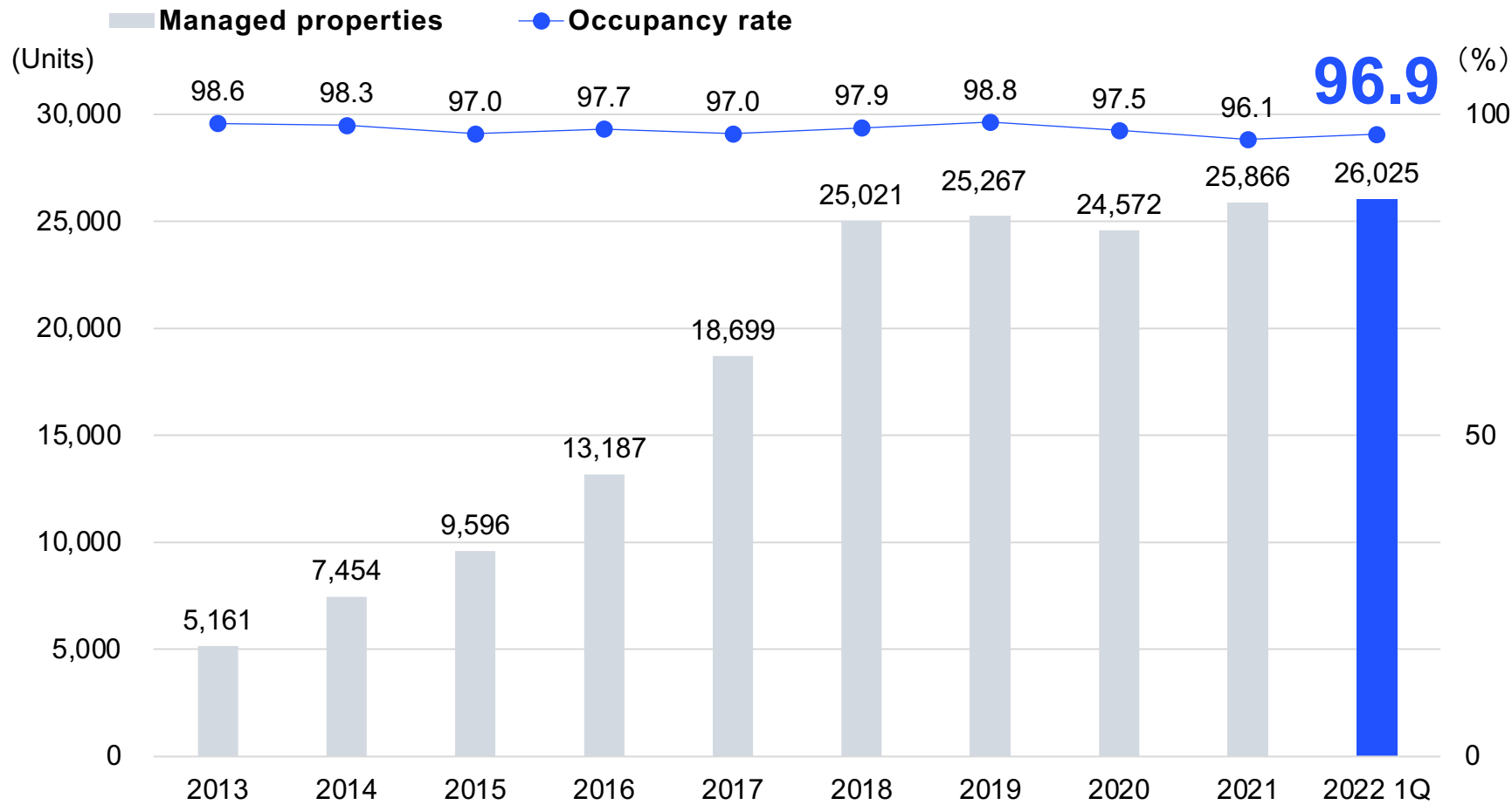


Owners' app
(Residence kit for Owner)



RPA tool for management companies
(Residence kit for PM)

Stable recurring income that maintains high occupancy rate



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

Occupancy rate of **96.9%**. Keep high occupancy rates

Managed properties

26,025 units

Occupancy rate

96.9%

(As of March 31, 2022)

Sustainable expansion of profit foundations

Measures to increase units under management

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

Expanding Company-guaranteed share

15,792 units

26,025 units

(As of March 31, 2022)

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

Walk-around cleaning

12,642 times

Fire-fighting inspection

568 times

Restoration work

1,256 cases

(As of March 31, 2022)

income club business

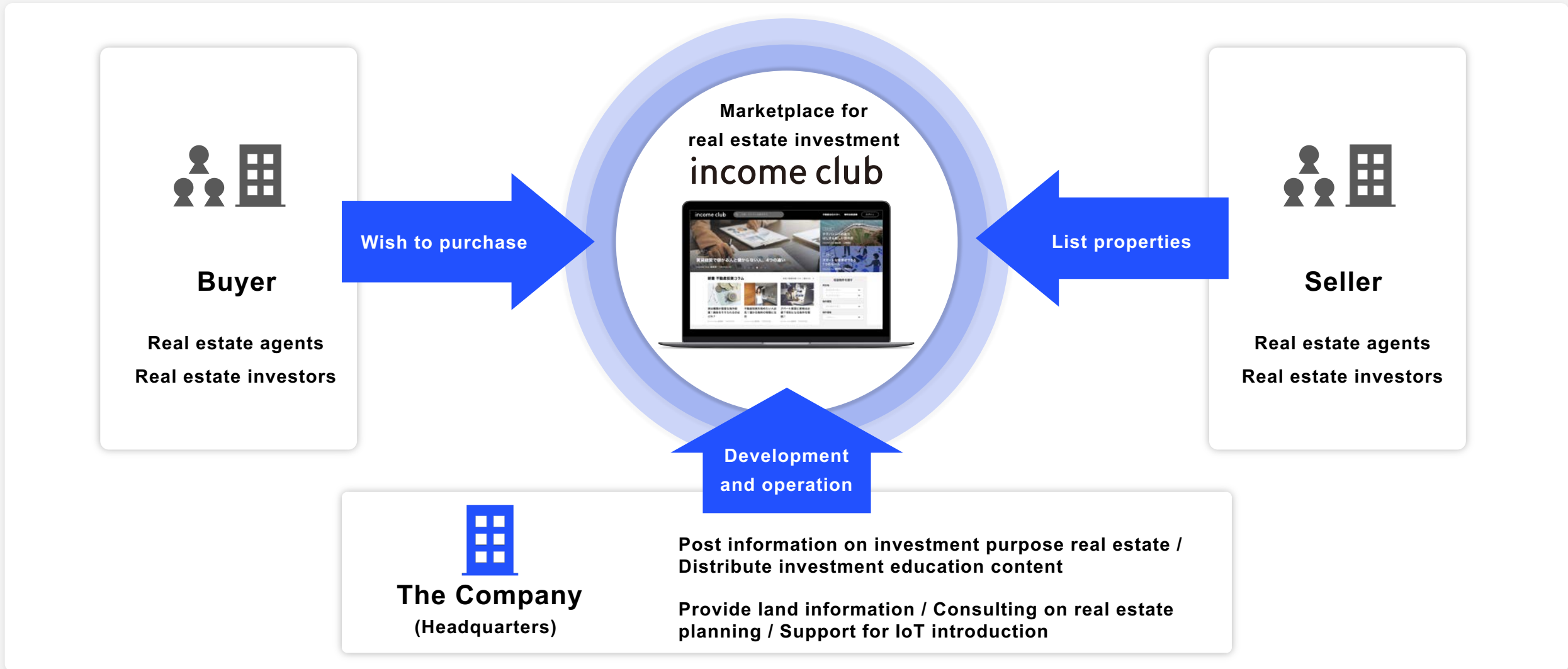
Net sales

¥371million

Operating profit

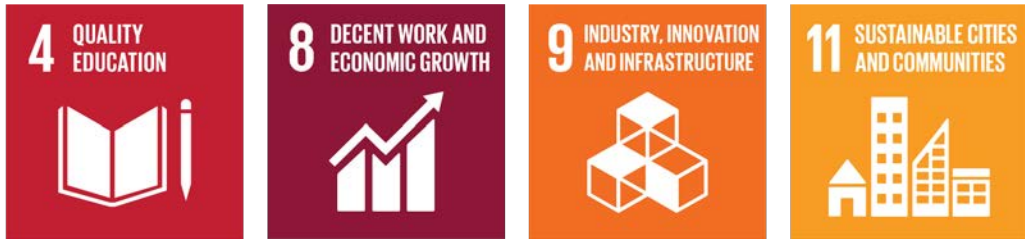
¥25million

Business overview of income club

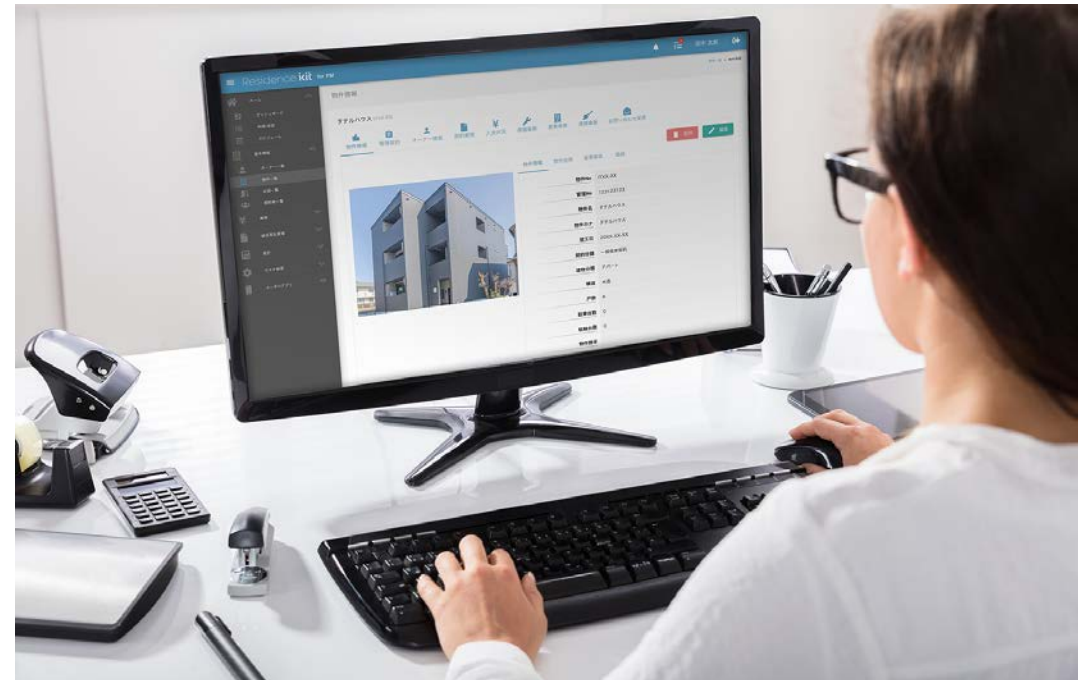


Our SDGs initiatives

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



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



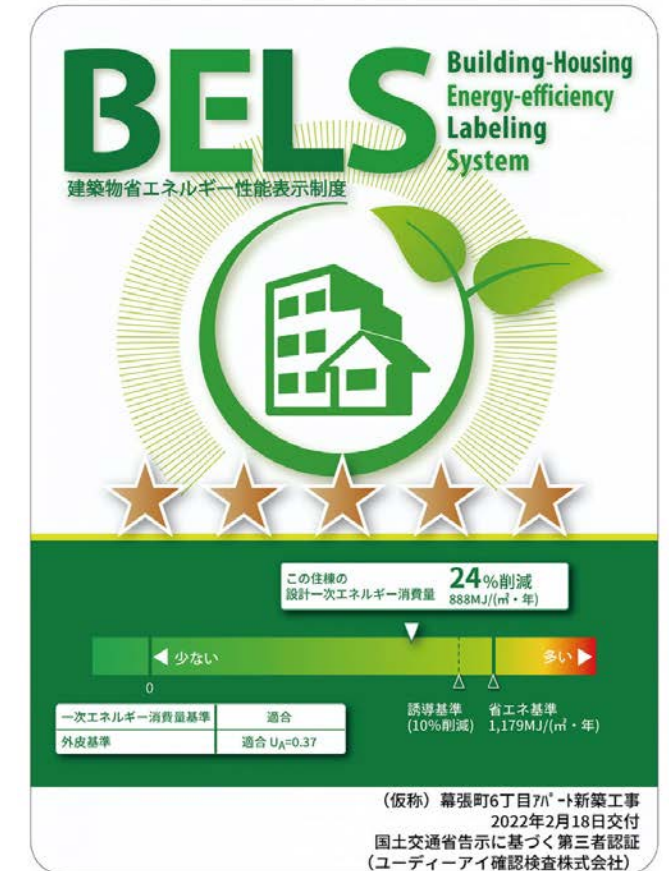
Our SDGs initiatives

Standardize the specifications of environment-friendly development properties with the “highest rank” for energy-efficiency performance



“CRASTINE +e,” an investment apartment with superior energy-efficiency performance developed by the Company, received the highest five-star rating in the Building-Housing Energy-efficiency Labeling System (BELS) under which a third-party organization evaluates the energy-efficiency performance of buildings in accordance with evaluation standards provided by the MLIT.

BELS is a public certification system that evaluates buildings' energy-efficiency performance on a five-scale rating that real estate agents and certain other parties are required to make efforts to label under the Act on the Improvement of Energy Consumption Performance of Buildings (Building Energy Efficiency Act) enforced in April 2016.



Our SDGs initiatives

Promote diversity management that values diversity and creativity



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



3. Appendix

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

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

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

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

(*1) The guidelines present a vision for the strategic use of systems in company management. These guidelines were established based on the Act on Facilitation of Information Processing. For details, visit the website of IPA: Information-technology Promotion Agency, Japan.

<https://www.ipa.go.jp/ikc/info/dxcp.html> (in Japanese)



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List of DX-certified operators (in Japanese)

<https://www.ipa.go.jp/ikc/info/dxcp-list-202103.html>

Announcement on establishment of DX Property Promotion Association

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

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



Establishment December 17, 2020

President Daisaku Furuki, Representative Director/CEO, Robot Home, Inc.

Directors Ryo Higuchi, President and Chief Executive Officer, GA technologies Co., Ltd.

Sei Nakanishi, President and Representative Director, PROPERTY AGENT Inc.

Seigo Miyaji, Representative Director and President, Casa Inc.

Takeshi Shimizu, President and CEO, AMBITION Corporation

Kazumasa Tomita, President & Chief Executive Officer, ZUU Co., Ltd.

Katsuki Matsuzono, President, Residence kit, Inc

Auditor Hiroyuki Sugimoto, Chairman & CEO, SYLA HOLDINGS Co., Ltd.

Advisor Kiyohiko Nishimura, Emeritus Professor, The University of Tokyo; former Deputy Governor, The Bank of Japan

Website <http://www.dxppa.or.jp/>

Inquiries info@dxppa.or.jp

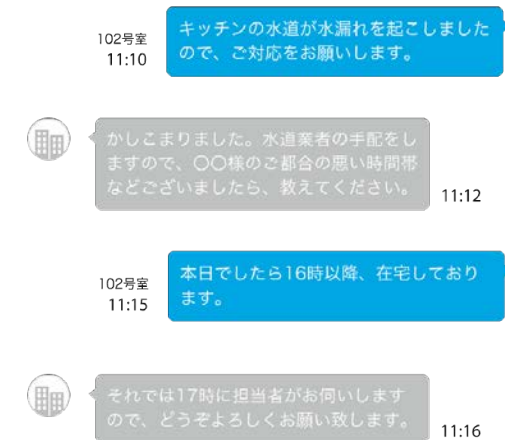
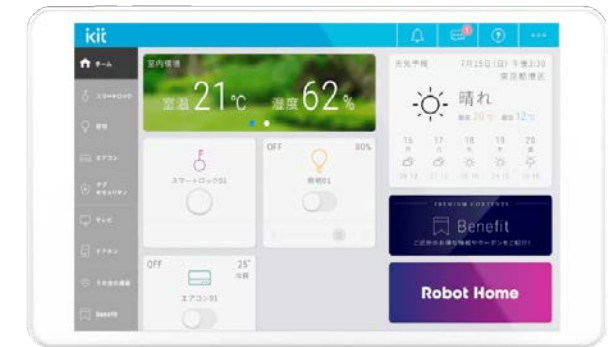
IoT product introduction

Chat concierge

CENTRAL CONTROLLER TABLET

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

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



IoT product introduction

HOME ENTRANCE

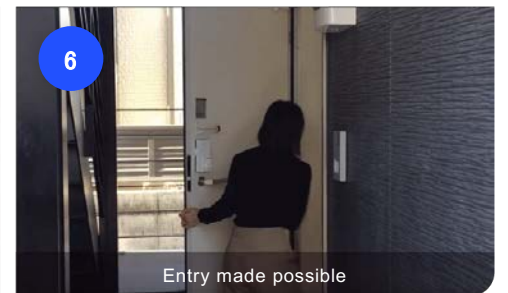
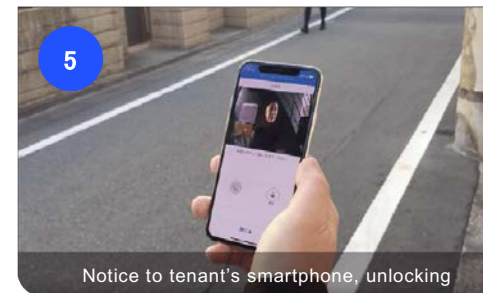
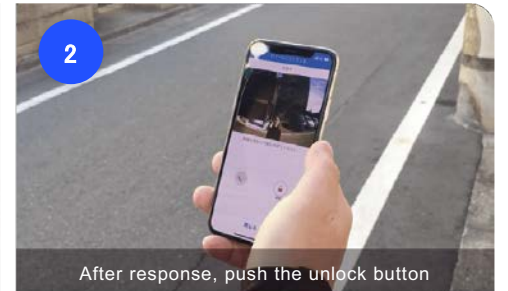
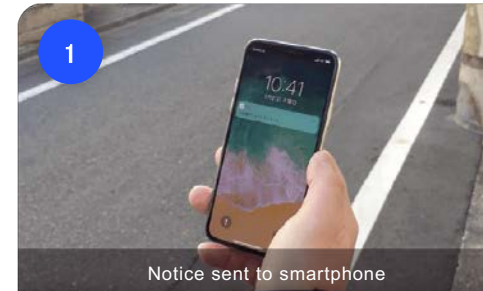
Intercom with camera for multiple dwelling or individual entrances capable of reception from a smartphone



Device with camera for individual entrance



Device with camera for multiple dwelling entrance



IoT product introduction

Flow of customer support using the app



Intercom for multiple dwelling entrance



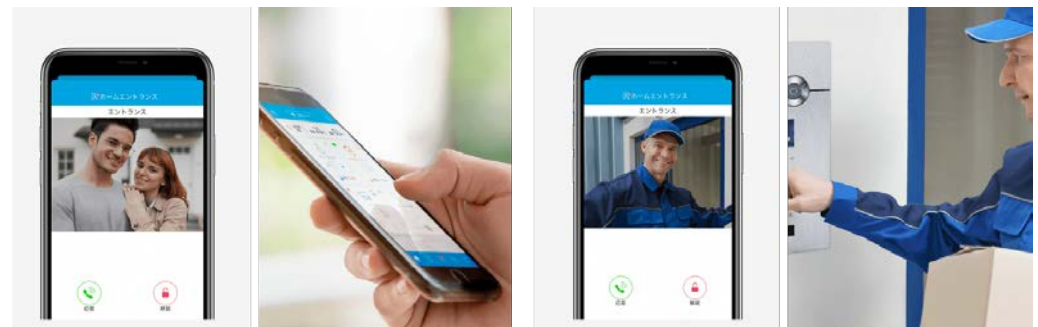
Intercom for individual entrance



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

When friends or family visit
Unlock the door for them

When a courier arrives
Request package drop

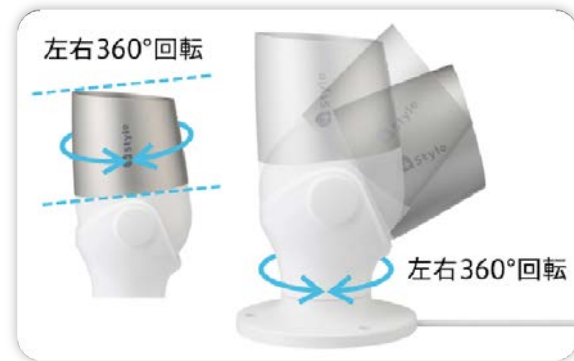


IoT product introduction

SECURITY CAMERA

- Surveillance camera for crime prevention -

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



Recorded video can be submitted as evidence

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

- Day You can clearly see the situation in the room with high-quality images.
- Night You can see clearly even in the dark with the automated night vision mode.



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

IoT product introduction

SMART LOCK

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

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

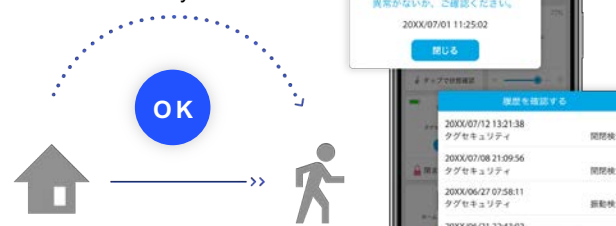


SMART LOCK is used to prevent unlocked doors and windows. If it is fraudulently unlocked, an alarm will be activated and an entry record can be checked via the app.

SENSOR

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

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



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

IoT product introduction

NATURE SENSOR REMOTE CONTROLLER

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



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

*Activation of all home appliances is not guaranteed.

SMART LIGHT

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



* Illustration

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

Disclaimer regarding forward-looking statements

The materials and information presented in this release include “forward-looking statements.” These statements are based on expectations, forecasts, and assumptions that are subject to risks at the time of release, and include uncertainties that may cause outcomes to differ in substance from these statements.

These risks and uncertainties include industries in general, market conditions, and general domestic and international economic conditions such as interest rate and foreign exchange fluctuations.

Robot Home undertakes no obligation to update or revise the “forward-looking statements” included in this release, even in the event of new information, future events, or other circumstances.