

2023

Second Quarter of FY06/2023
Materials for Financial Results Briefing
February 14, 2023 (Tue.)

TSE Growth: 3300

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2Q of FY06/2023(company-wide)**

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Section 1

Financial results overview

2Q of FY06/2023
(company-wide)

Higher revenues / Much higher earnings

Company-wide results (YoY)

Higher revenues / much higher earnings

Point
01

- **Net sales : 18.4% UP**
(2Q/FY2022) 14,538 mil. yen (2Q/FY2023) 17,206 mil. yen
(+/- amount) 2,668 mil. yen

- **Operating profit : 46.7% UP**
(2Q/FY2022) 541 mil. yen (2Q/FY2023) 795 mil. yen
(+/- amount) 253 mil. yen

※ (2Q/FY2022) Operating profit : 253 mil. yen
(excluding Gain on sales of investment securities [288 mil. yen])
(2Q/FY2023) No sales of investment securities
(+/- %) **214.2%** (+/- amount) **542 mil. yen**

- **Ordinary profit : 46.1% UP**
(2Q/FY2022) 506 mil. yen (2Q/FY2023) 740 mil. yen
(+/- amount) 233 mil. yen

Point
02

Company-wide

- **Business reform by promoting DX** is underway
- DX for Leasing DX Property Management Business segment is preferentially promoted
Next-generation management system **"AMBITION Cloud"** is in full operation

Point
03

【Leasing DX】 Property Management Business

- **Net sales : 15.1% UP**
- **Number of houses under management : PLUS 1,436**
- **Occupancy rate : 97.2%**

Point
04

【Leasing DX】 Leasing Brokerage Business

- 16 directly-run shops + 19 bases partnered with membership-based shared offices
- Measures for attracting guests were carried out including enhanced non-face-to-face services such as those via WEB by strengthened advertising strategies, remote customer services and electronic contract

Point
05

【Sales/Purchase DX】 Investment Business

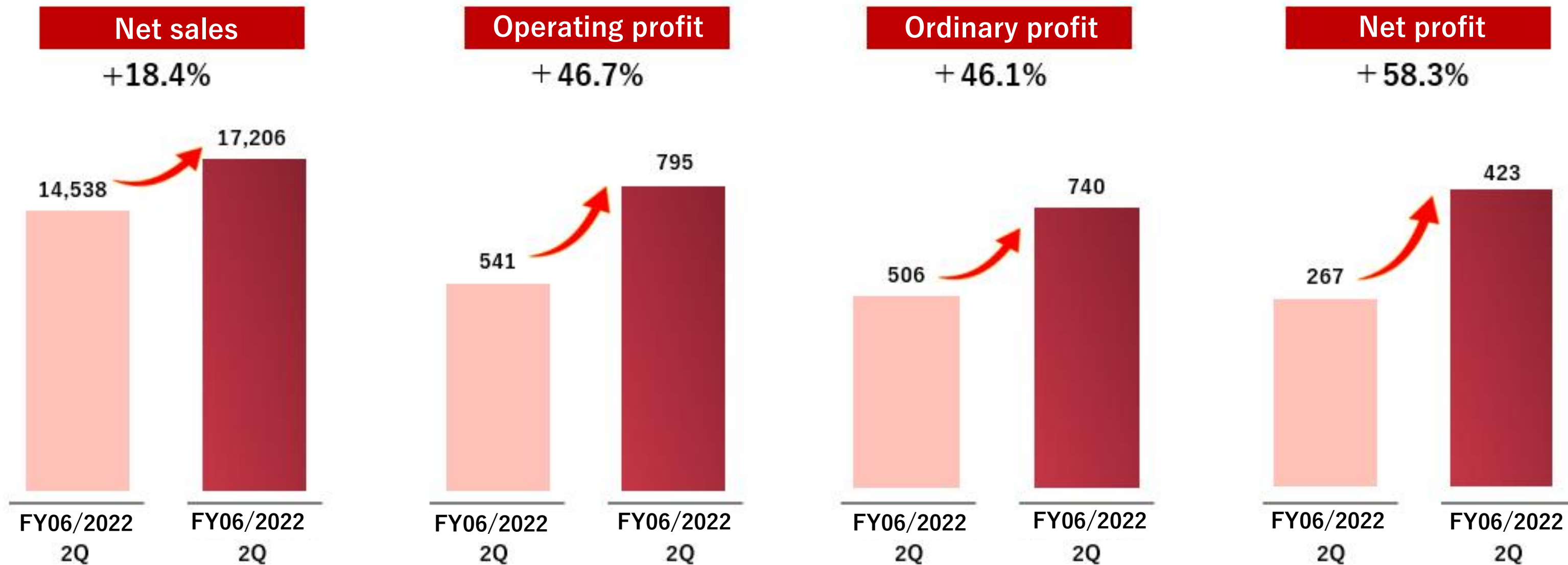
- **Actual results were as planned**
- **196 properties in total were sold off**

Higher revenues / Much higher earnings

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 2Q	+/- %	+/- amount
Net sales	14,538	17,206	18.4%	2,668
Operating profit	541	795	46.7%	253
Ordinary profit	506	740	46.1%	233
Net profit*	267	423	58.3%	156

* Net profit attributable to owners of parent



Key factors

【Leasing DX】 Property Management Business

Increase in subleased houses under management:

13,810 (+927 YoY)

Reduced administrative cost through DX measures

【Sales/Purchase DX】 Investment Business

196 more houses were sold (+28 YoY)

Higher revenues / Much higher earnings

(mil. yen)	FY06/2022 2Q actual	FY06/2023 2Q actual	+/- %	+/- amount
Net sales	14,538	17,206	+18.4%	+ 2,668
Gross profit	2,754	3,117	+ 13.1%	+ 362
SG&A expenses	2,212	2,322	+4.9%	+ 109
EBITDA*	668	929	+ 39.0%	+ 260
Operating profit	541	795	+ 46.7%	+ 253
Ordinary profit	506	740	+ 46.1%	+ 233
Net profit before income taxes and minority interests	506	744	+ 46.9%	+ 237
Net profit attributable to owners of parent	267	423	+ 58.2%	+ 156

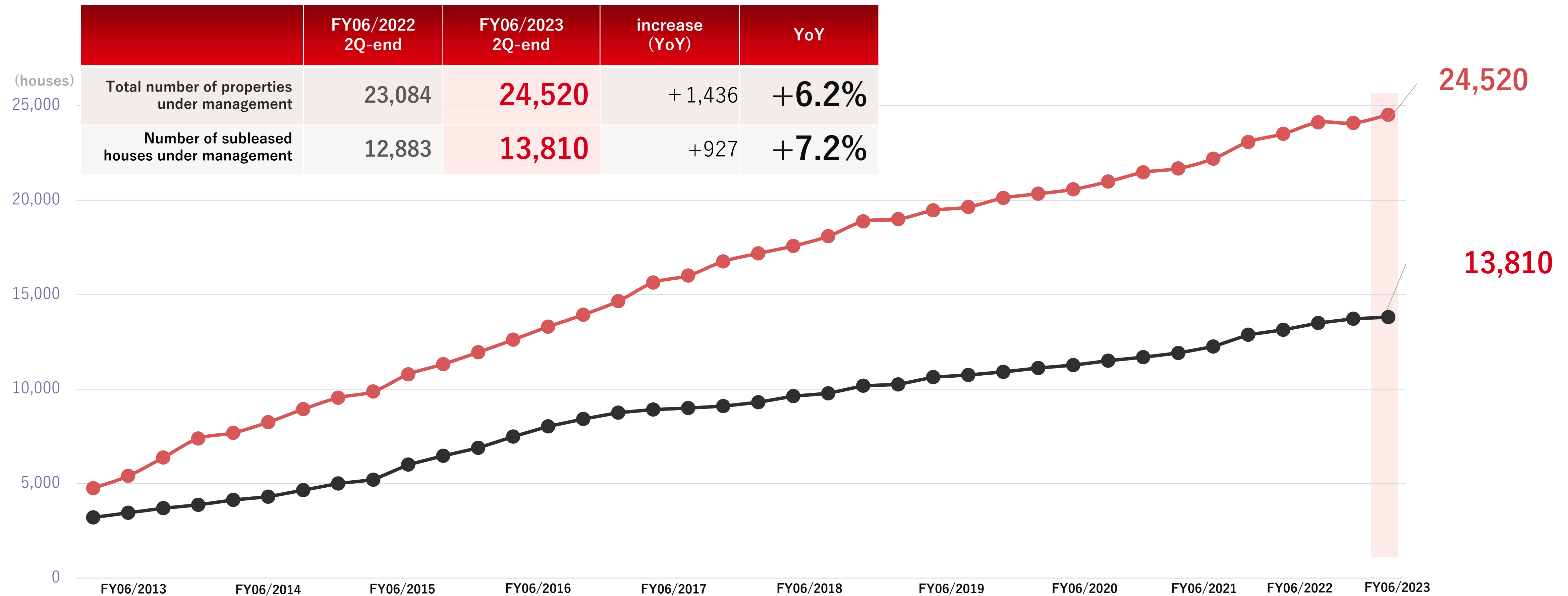
* EBITDA = Operating profit + Depreciation + Software depreciation + Goodwill amortization

Balance Sheet

(mil. yen)	FY06/2022 year-end	FY06/2023 2Q actual	+/- amount
Current assets	13,679	13,875	+ 195
Non-current assets	3,354	3,480	+126
Deferred assets	2	3	0
Total assets	17,036	17,359	+322
Current liabilities	6,727	7,226	+ 499
Non-current liabilities	6,564	6,121	- 443
Net assets	3,744	4,011	+266
Total liabilities and net assets	17,036	17,359	+322

Number of houses under management continues to increase favorably

Trend in numbers of houses/subleased houses under management:



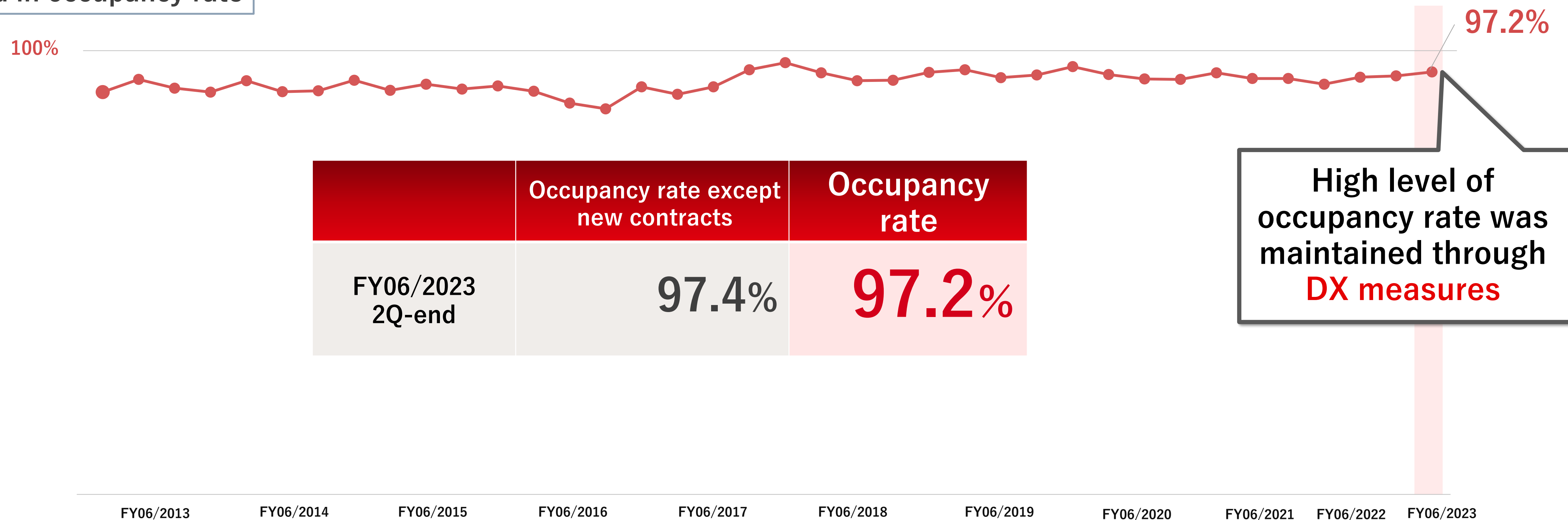
High level of occupancy rate was maintained

【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 for young people

Trend in occupancy rate



High level of occupancy rate was maintained through DX measures

Section 2

Financial results overview

2Q of FY06/2023
(by segment)

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 **16 shops**: 7 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

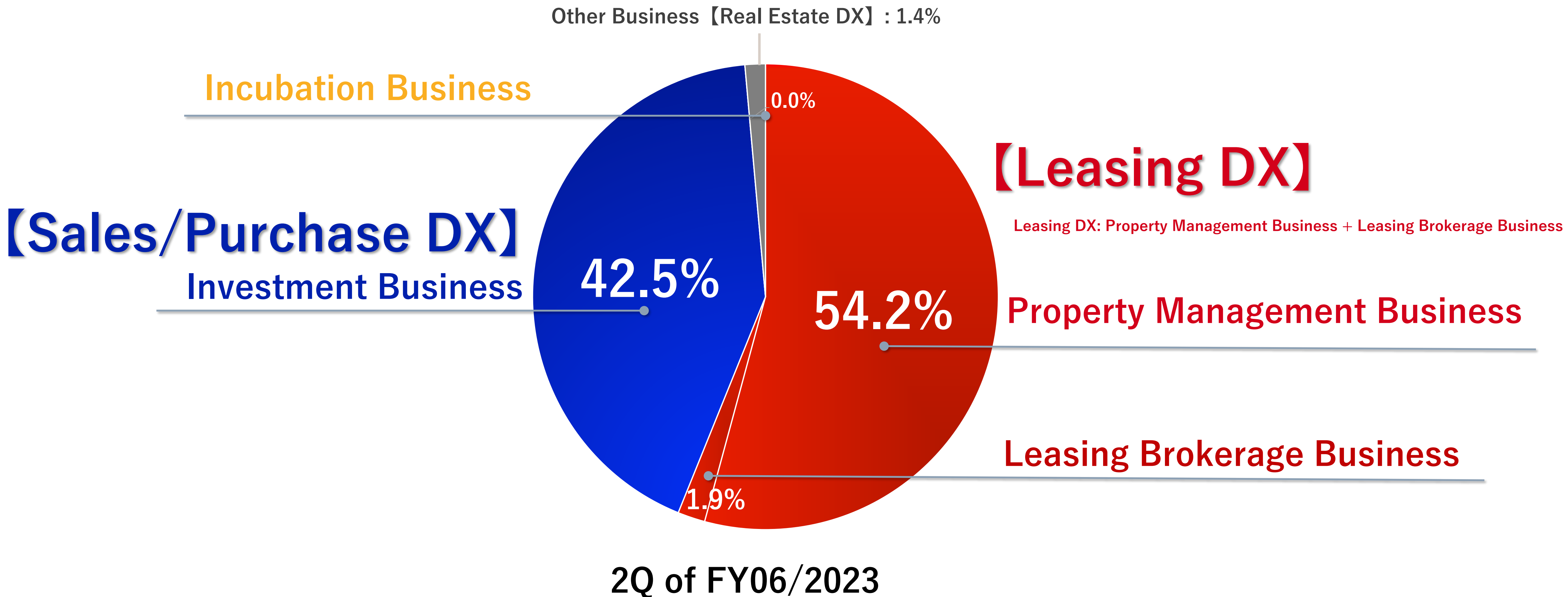
Incubation Business

- ◆ 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)

【Leasing DX】 accounts for just over half of overall sales



【Leasing DX】

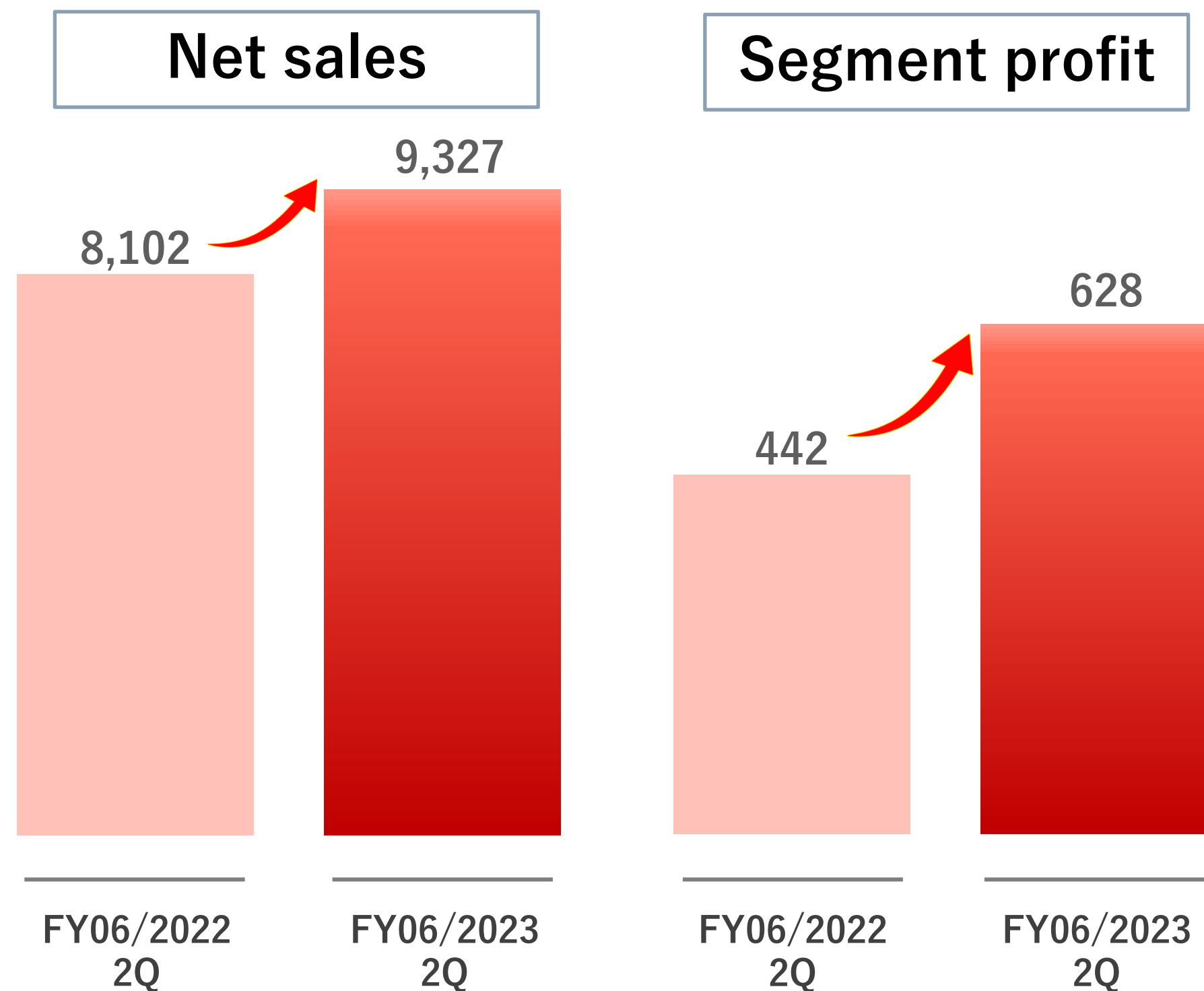
Property Management Business

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

Much higher revenues / Much higher earnings

(mil. yen)	FY06/2022 2 Q	FY06/2023 2 Q	+/- %	+/- amount
Net sales	8,102	9,327	15.1%	1,225
Segment profit	442	628	41.9%	185

(mil. yen)



Higher revenues: Increased number of subleased houses under management
Higher earnings: Successful administrative cost control with DX measures

【KPI】 Maintained steady progress

- Houses under management: 24,520 (+1,436 (+6.2%) YoY)
- Subleased houses under management: 13,810 (+927 (+7.2%) YoY)
- Occupancy rate: 97.2% (97.4% if newly contracted properties are excluded)
High level of occupancy rate was maintained through measures for improved occupancy rate

【Major approaches】

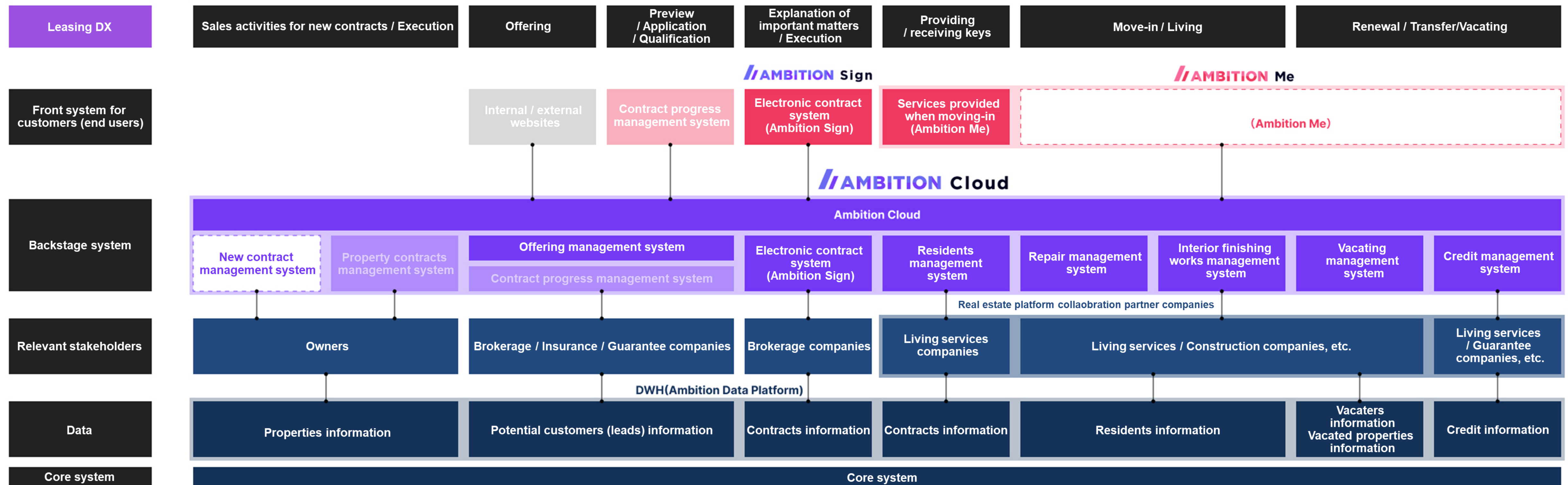
Realization of next-generation management system named “AMBITION Cloud” (which facilitates higher operational efficiency)

“AMBITION Sign”, an electronic contract package using blockchain technologies

“AMBITION Me”, an app for residents, aiming at improvement in ongoing relationship with residents

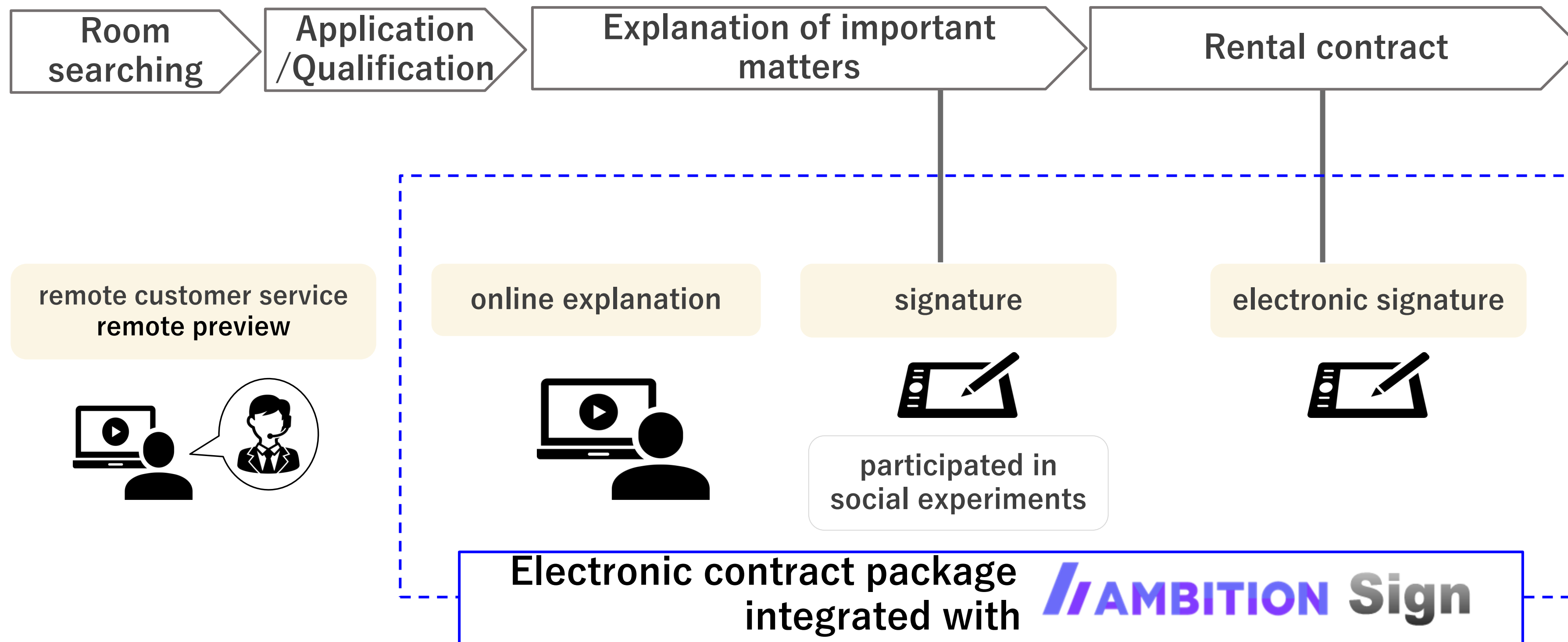
Overview of the blockchain-enabled real estate DX, “AMBITION Cloud”

Bird’s eye representation of the system



 System services currently under planning/development

Electronic contract package using blockchain technologies



AMBITION Sign



Amendments to Electronic Contracts Act (effective from May 18, 2022)
To be released from Re-Tech RaaS (subsidiary) during FY06/2023.
The Group's operational performance will be enhanced.

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

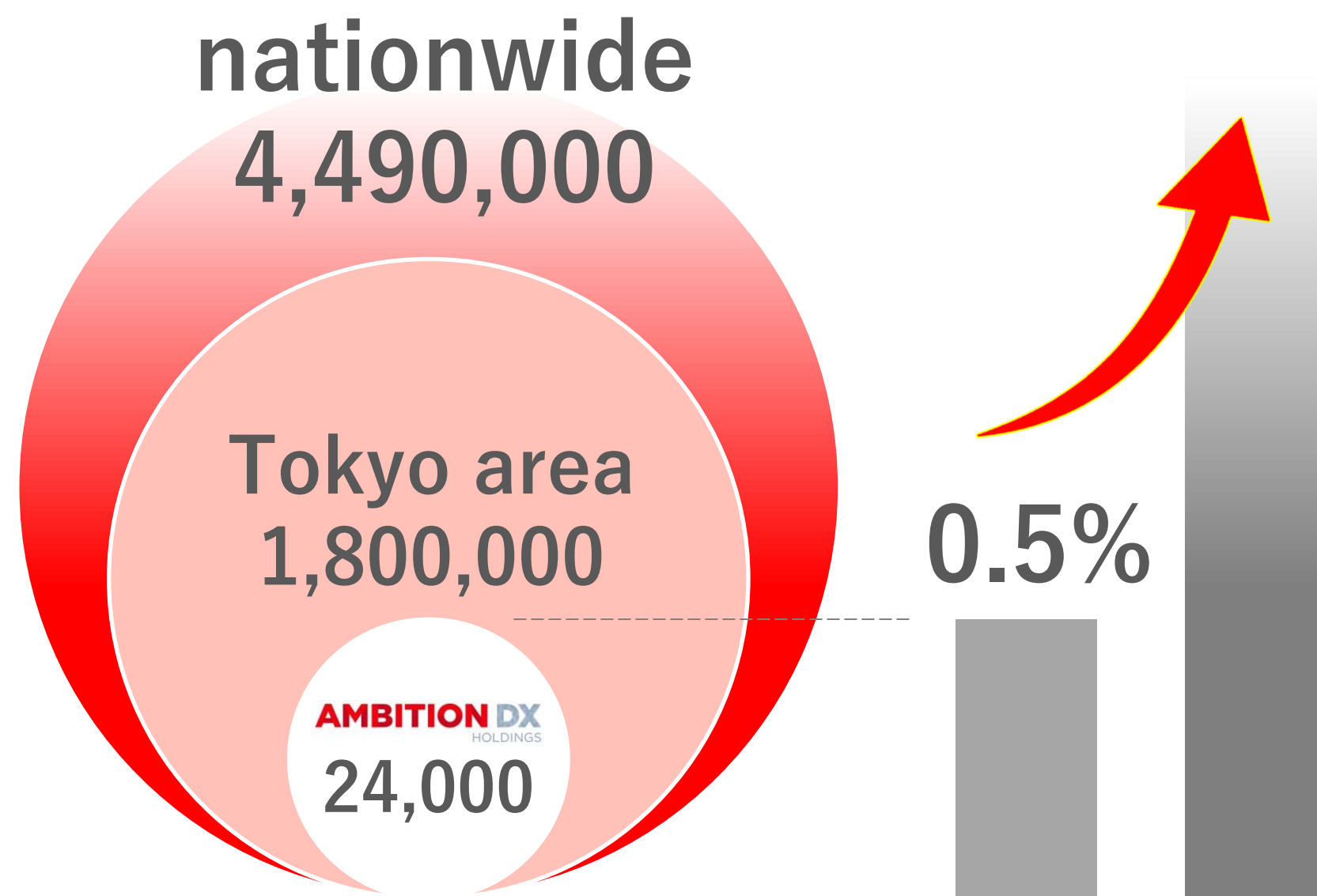
AMBITION Me

- 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 (Lifetime Value).

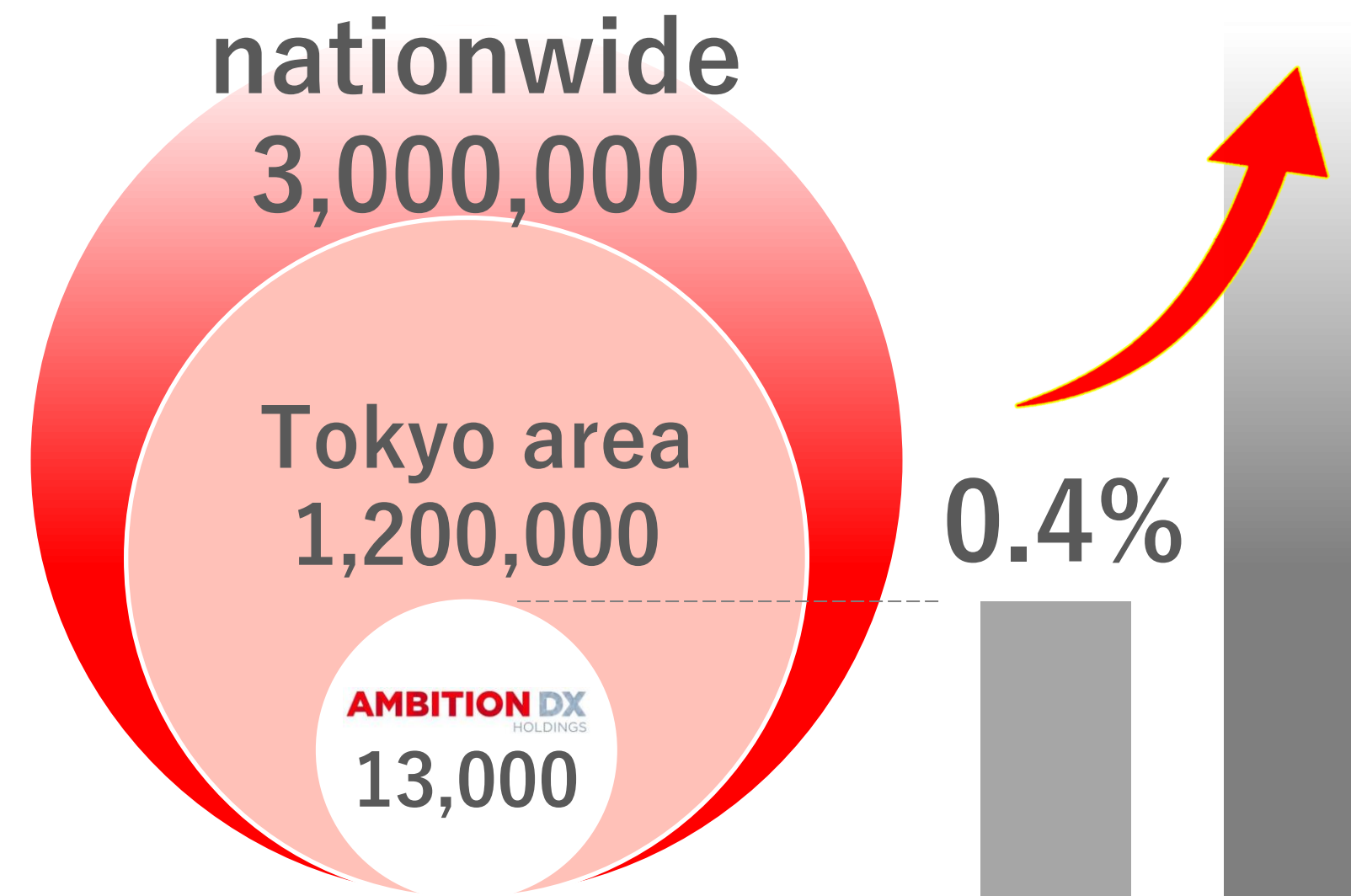


Promising market (Tokyo metropolitan area) with potential for further growth

outsourced management*1



Subleased*2



Points of the market

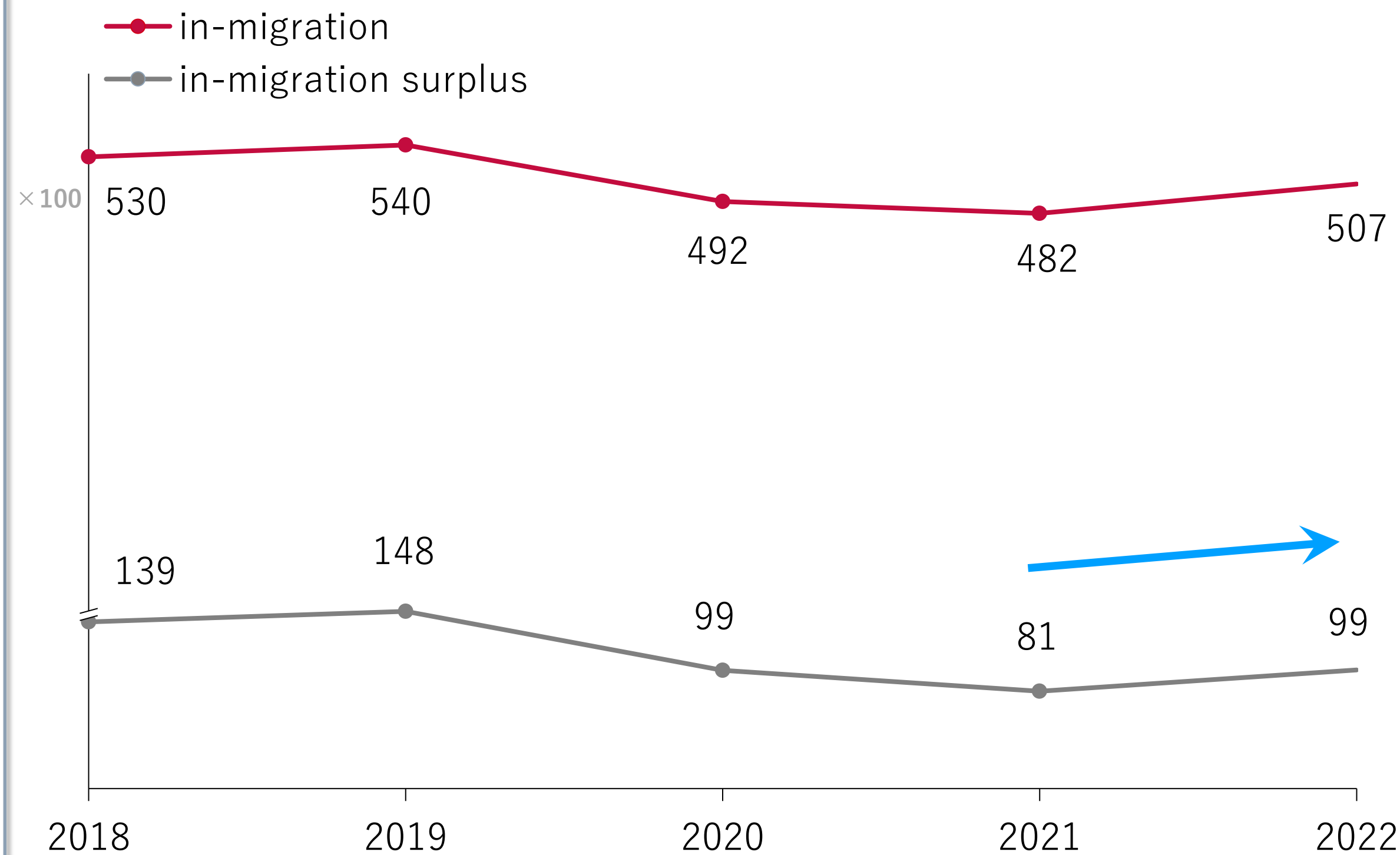
- The Company targets principally at outsourced management / subleased properties markets around Tokyo area
- These markets have potentials for further growth due to continuous concentration of population in central Tokyo
- The Company remains focused on obtaining new properties above the industry's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

*1 MLIT, *Real Estate Industry Vision 2030* (references collection)

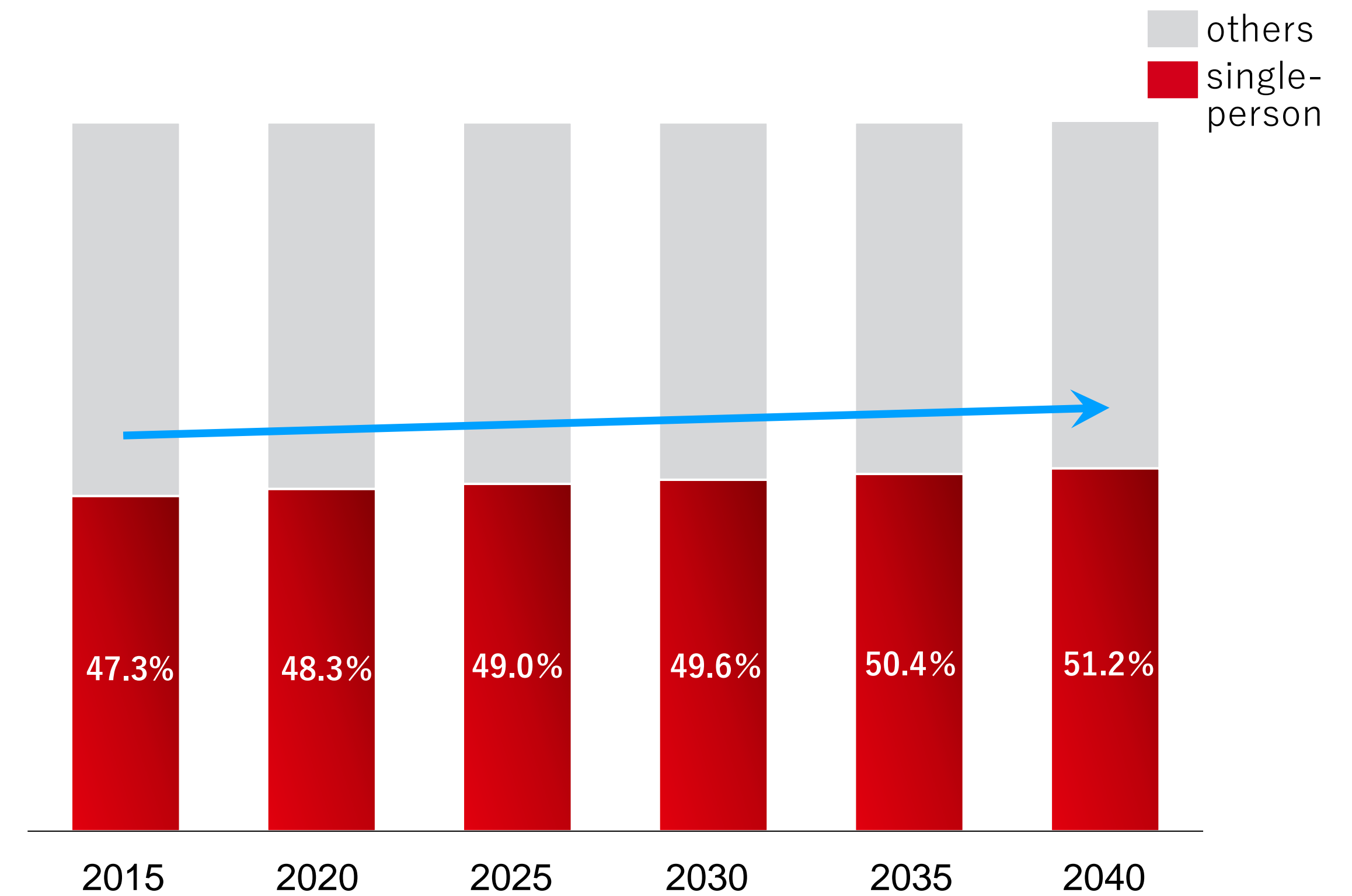
*2 MLIT: Suggestions for the future of rental housing management industry (draft), calculated based on the percentages of registered business entities in Tokyo and surrounding three prefectures

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

Out target: Tokyo area (Tokyo and neighboring three prefectures)
In-migration surplus has gradually recovered to pre-COVID-19 era
 (trend in the numbers of in-migration and in-migration surplus in Tokyo area *1)



In Tokyo, single-person households will continue to increase
 (trend of shares of single-person households in Tokyo*2)



*1 MIC, Annual Report on Internal Migration in Japan, 2022 Edition

*2 Forecasted number of households in Tokyo

【Leasing DX】

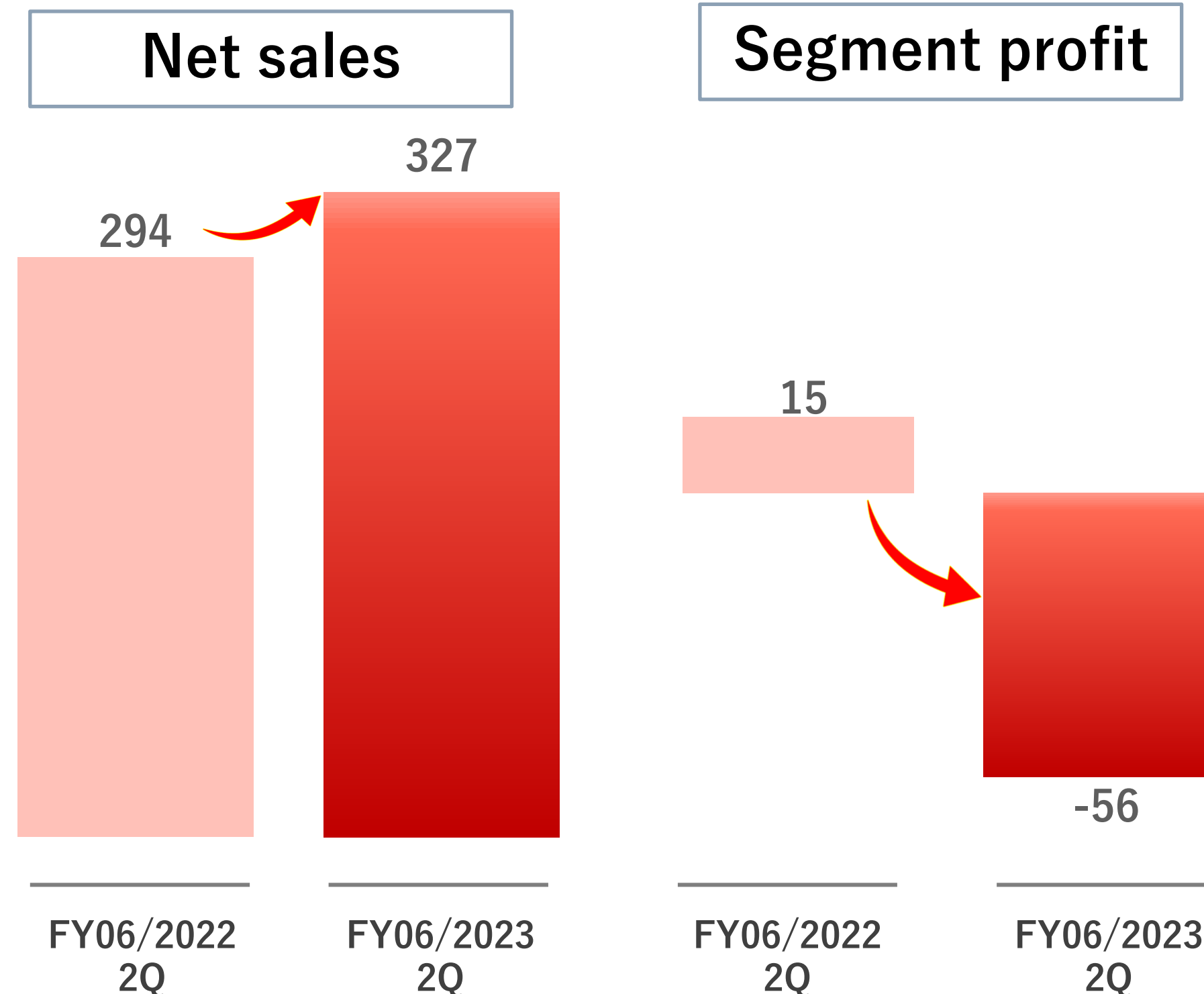
Leasing Brokerage Business

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

Higher revenues / Lower earnings

(mil. yen)	FY06/2022 2 Q	FY06/2023 2 Q	+/- %	+/- amount
Net sales	294	327	11.1%	32
Segment profit	15	-56	-	-72

(mil. yen)



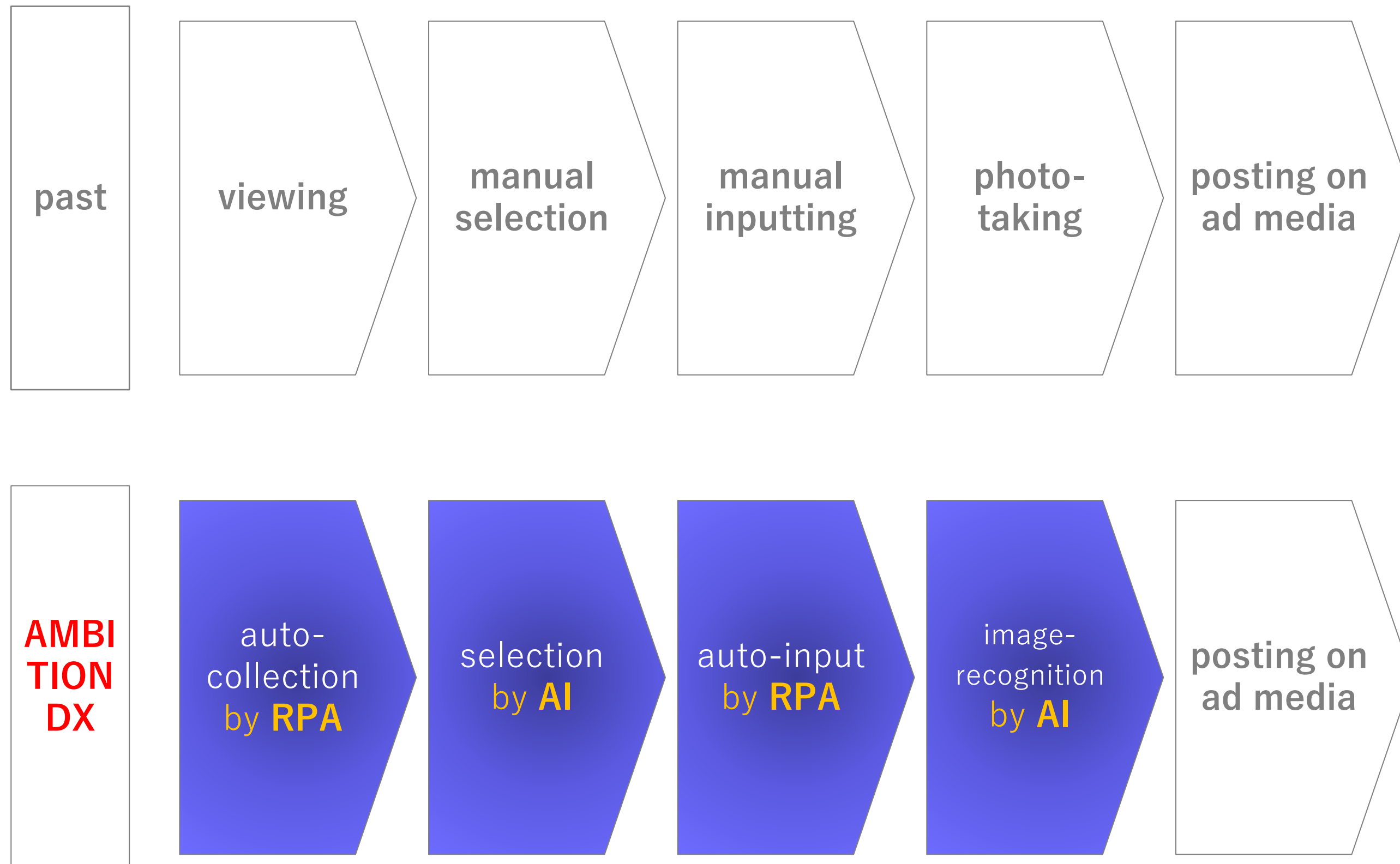
- Making use of an AIxRPA tool named “RAC-TECH” continuously contributed to downsizing of personnel for inputting work and increase in the number of response, as well as higher net sales.
- Measures for attracting guests including enhanced non-face-to-face services such as those via WEB by strengthened advertising strategies, remote customer services and electronic contract
- **These measures and increased personnel in preparation for peak season** led to higher net sales, but revenues decreased because of investment in personnel and DX measures, increased advertising expenses and other factors.

【Features】

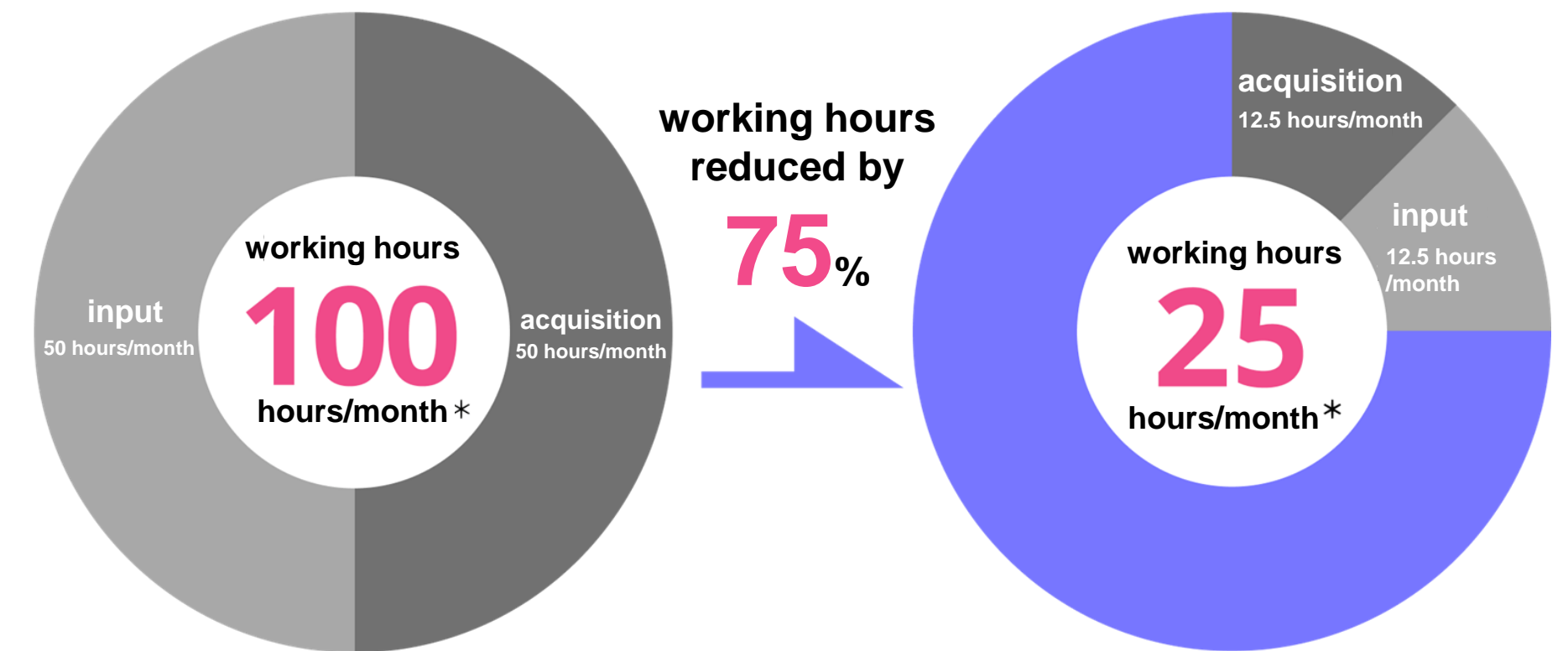
- Under the trade names of “ROOMPIA” and “VALOR” (respectively run by AMBITION AGENCY and VALOR which are subsidiaries), 16 shops in total are run: 7 in Tokyo, 8 in Kanagawa Pref. and 1 in Saitama Pref.
- High leasing ability of this segment contributes to the high occupancy rates maintained by the principal Property Management Business

Conventional **manual** work of inputting properties information could be **automated** by AIxRPA

Operational process through to posting properties information



ラクテック RAC-TECH Auto-input



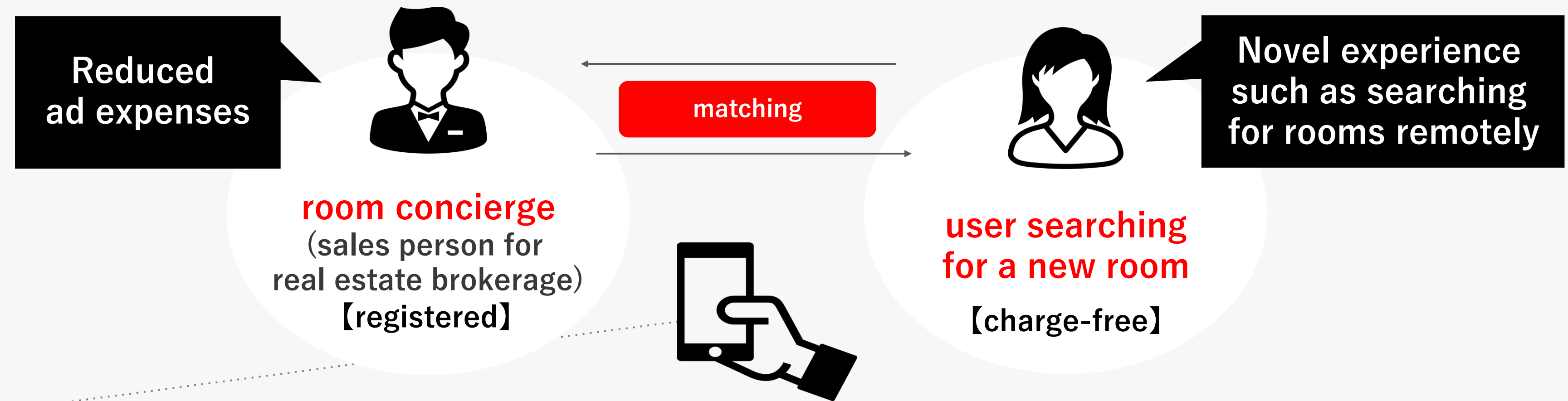
* Assuming 15 pieces of information in a day, and 20 days per month

ラクテック RAC-TECH Auto-input

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”



- SNS-type UI/UX in which a series of posts introducing properties can be viewed
- Users can follow up their “attractive” concierge
- Functions for searching for room concierges, chatting and LINE app

Numbers of downloads and room concierges are increasing!

Novel experience such as **searching for rooms remotely!**

【Sales/Purchase DX】 Investment Business

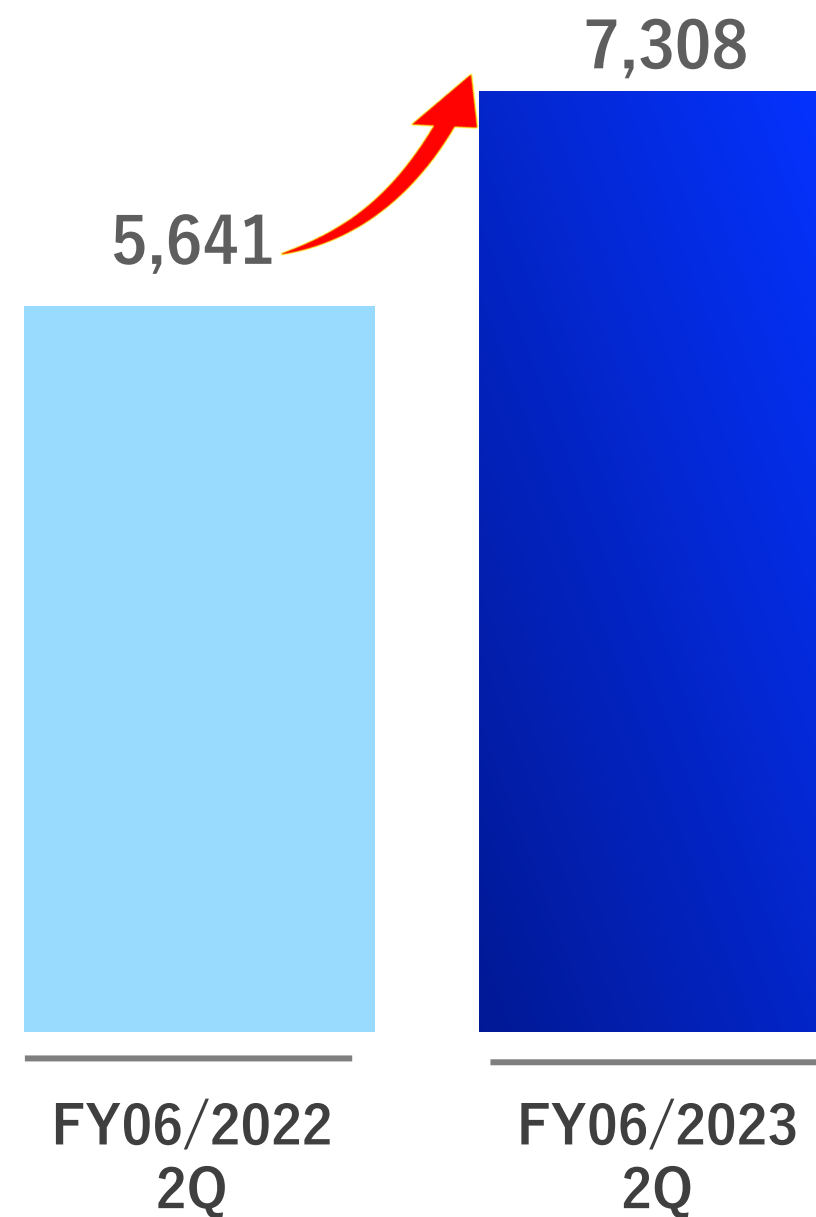
Undertaken by VERITAS INVESTMENT and by Investment Division of the Company.

As planned

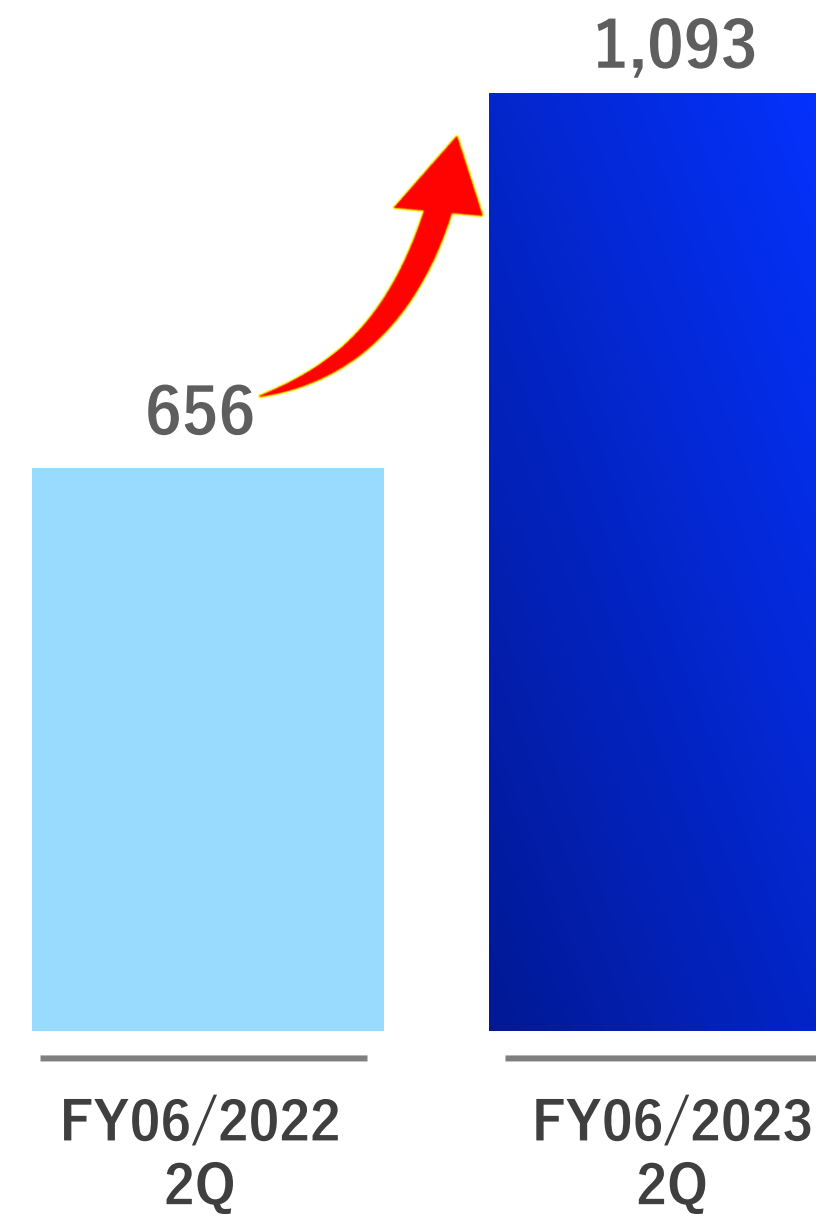
(mil. yen)	FY06/2022 2 Q	FY06/2023 2 Q	+/- %	+/- amount
Net sales	5,641	7,308	29.5%	1,666
Segment profit	656	1,093	66.6%	437

(mil. yen)

Net sales



Segment profit



- Actual results in 2Q were largely as planned
 - VERITAS INVESTMENT (subsidiary) sold 156 houses (+34 YoY)
 - Investment Division of the Company sold 40 properties (-6 YoY)
- 【Features】**
- Number of houses which were sold is included in the increment of houses under management.

“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	<ul style="list-style-type: none">■ Security (hands-free key system “Raccess”)■ Automatic lock system with color monitor■ Flooring (LL50 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

Incubation Business

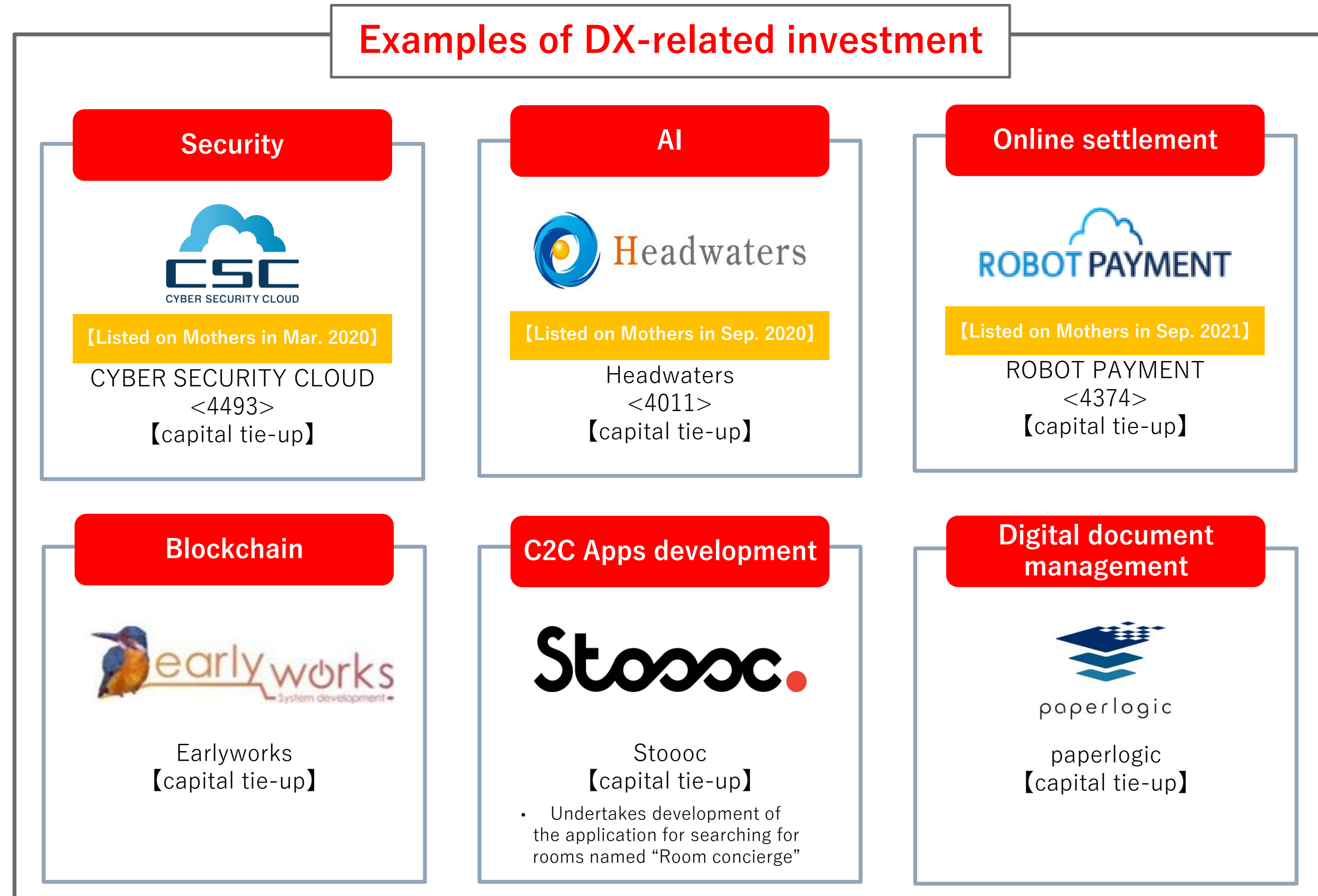
Since the second quarter consolidated fiscal period of FY06/2022, “Incubation Business” segment, which was previously included in the category “Other Business”, has been presented as one of the reportable segments.

Undertaken by AMBITION VENTURES

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: ---- mil. yen
Segment profit: -36 mil. yen

- 5 companies were newly invested
- Investment in 24 venture companies (as of December 31, 2022) * excluding cross-shareholdings



* Mothers now renamed to Growth

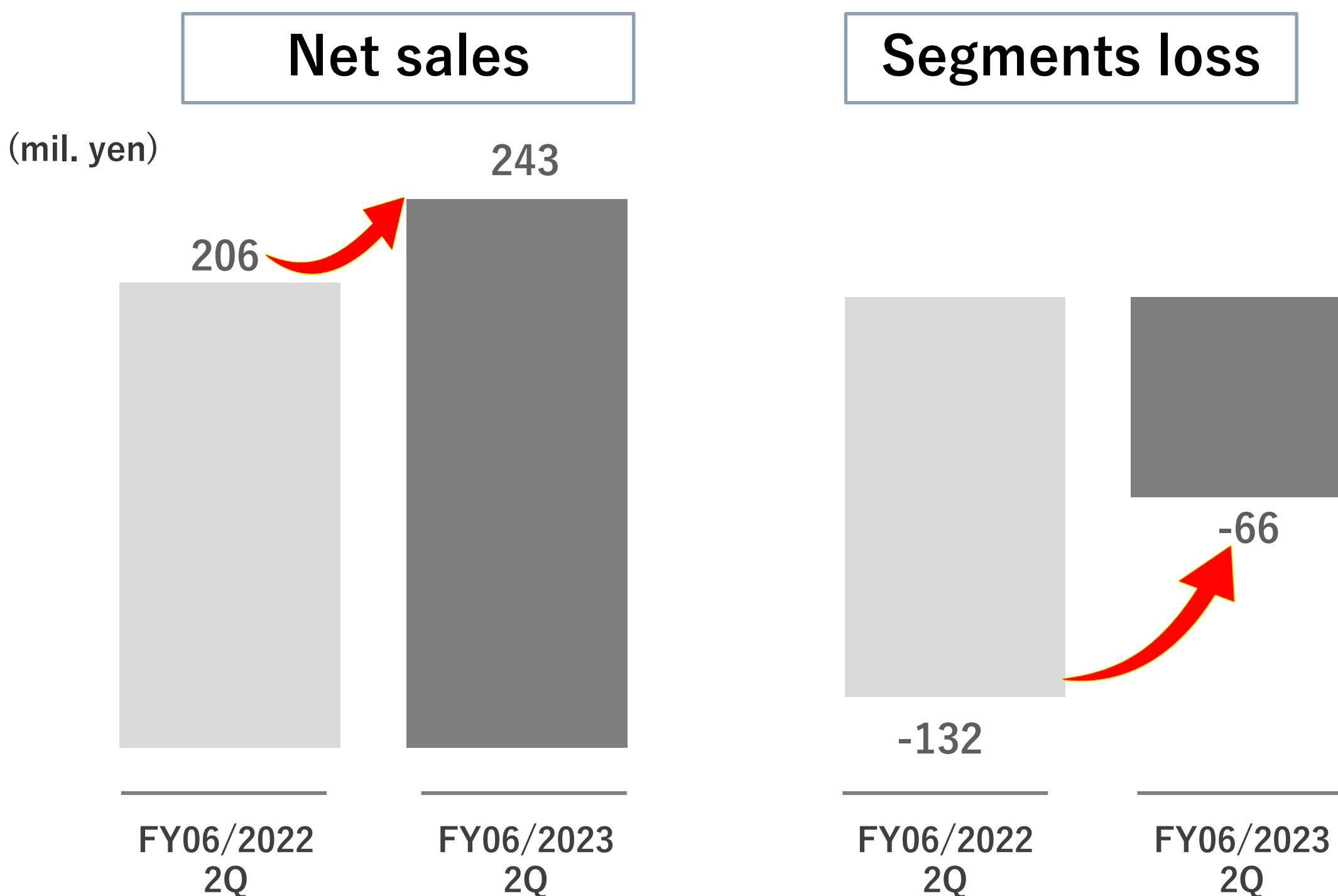
【Real Estate DX】 Other Business

■ Real Estate DX Business (Re-Tech RaaS)
Overseas Systems Business
(AMBITION VIETNAM)

■ Small Amount Short-term
Insurance Business (HOPE)

Higher revenues / Improved profitability

(mil. yen)	FY06/2022 2 Q	FY06/2023 2 Q	+/- %	+/- amount
Net sales	206	243	17.9%	36
Segment profit	-132	-66	-	66



【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 an AI × RPA tool named “RAC-TECH” developed by a subsidiary, Re-Tech RaaS Inc. is ongoing.
- Application for searching for rooms named “Room concierge” has increasing number of registered users.(the Group’s first BtoC matching service application)

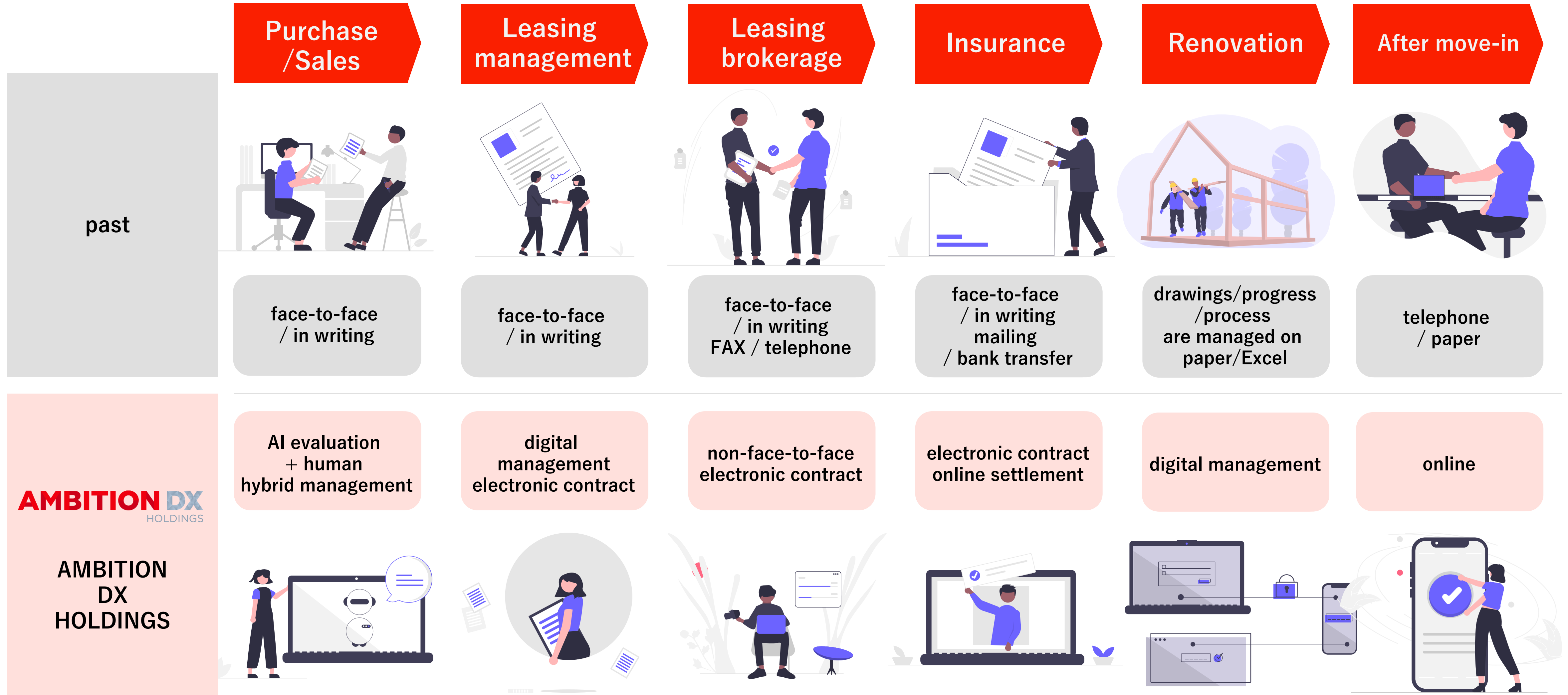
【Small Amount Short-term Insurance Business】

- Obtained new contracts smoothly
- The system “MONOLITH” realized an entirely paperless process from application through to payment
- “MONOLITH” helps integration with related services (e.g. insurance companies, management companies)

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

straightforward / DX promotion

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



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

DX fields	Conventional real estate company	
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 digitalize	digitalized 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

Section 3

Policies

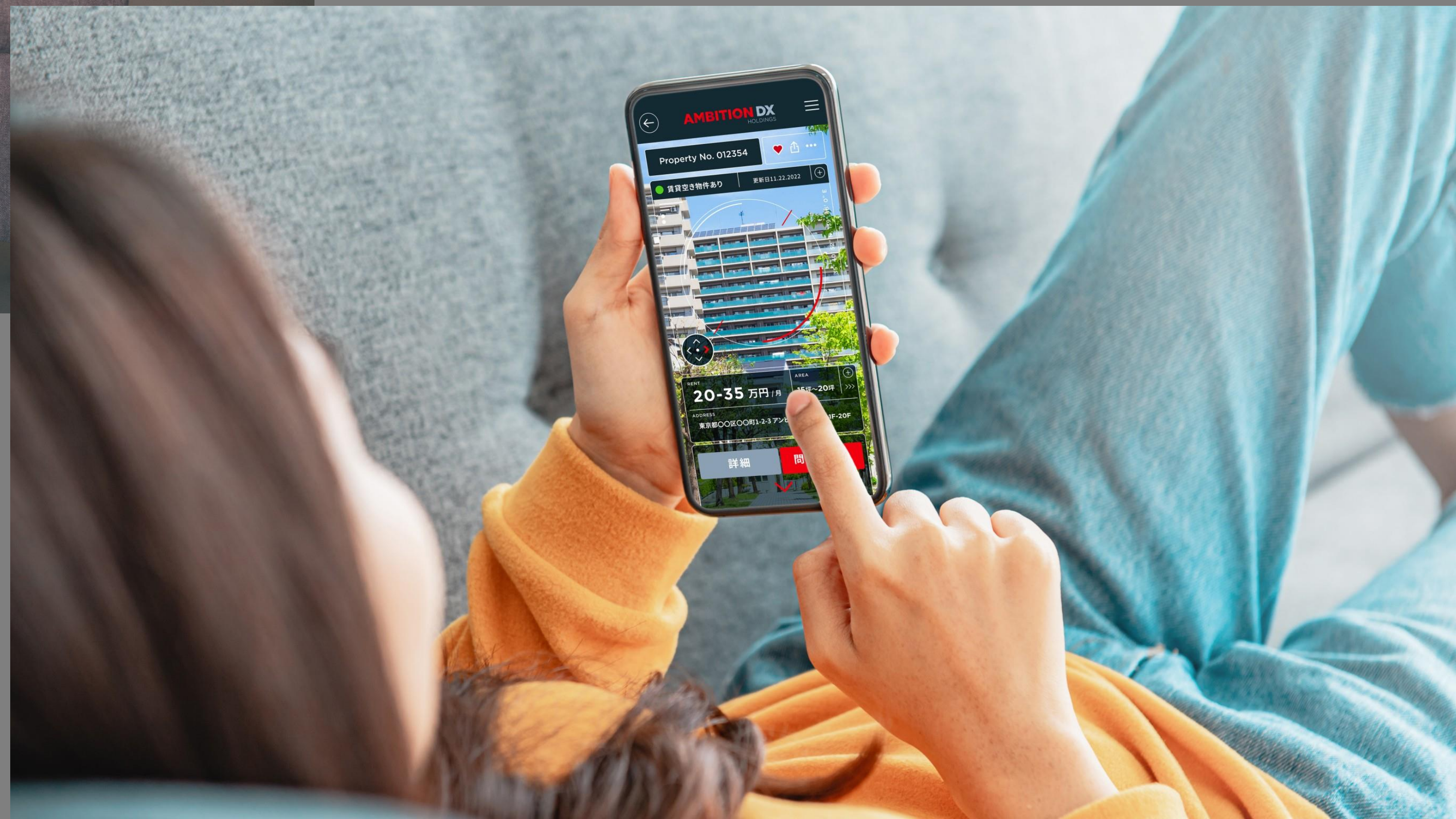


AMBITION DX HOLDINGS Co., Ltd.

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



**"Owner / Management company / Brokerage company
All in a single platform"**

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】



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

【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 **//AMBITION Cloud**
- Stably continued high occupancy rate
- Maximization of LTV (Lifetime Value) through a loyalty program **//AMBITION Me**



- 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

Safe and seamless data linkage by utilizing blockchain

To realize the vision

Policy
01

Business reform by promoting DX

Adding more value to existing business and creating new business

Policy
02

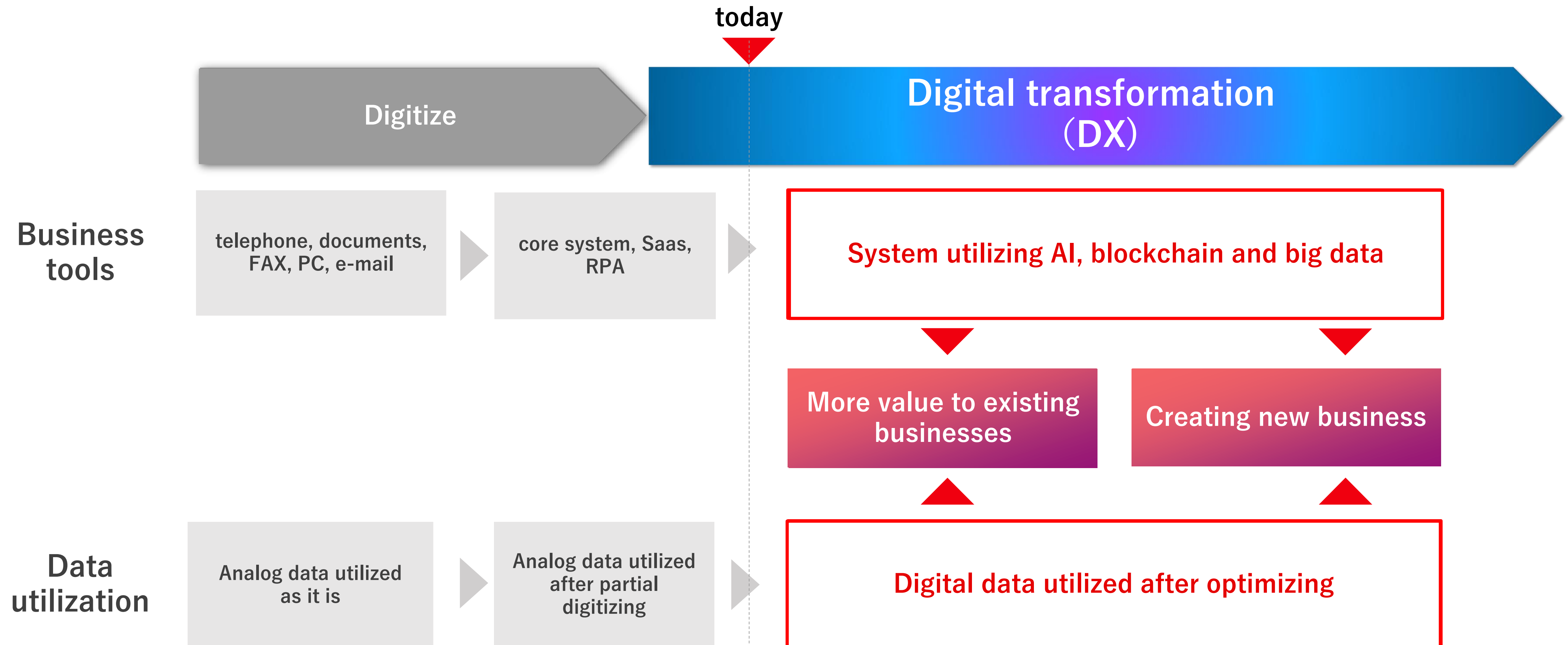
Efforts to discrete business expansion, such as M&A facilitation

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

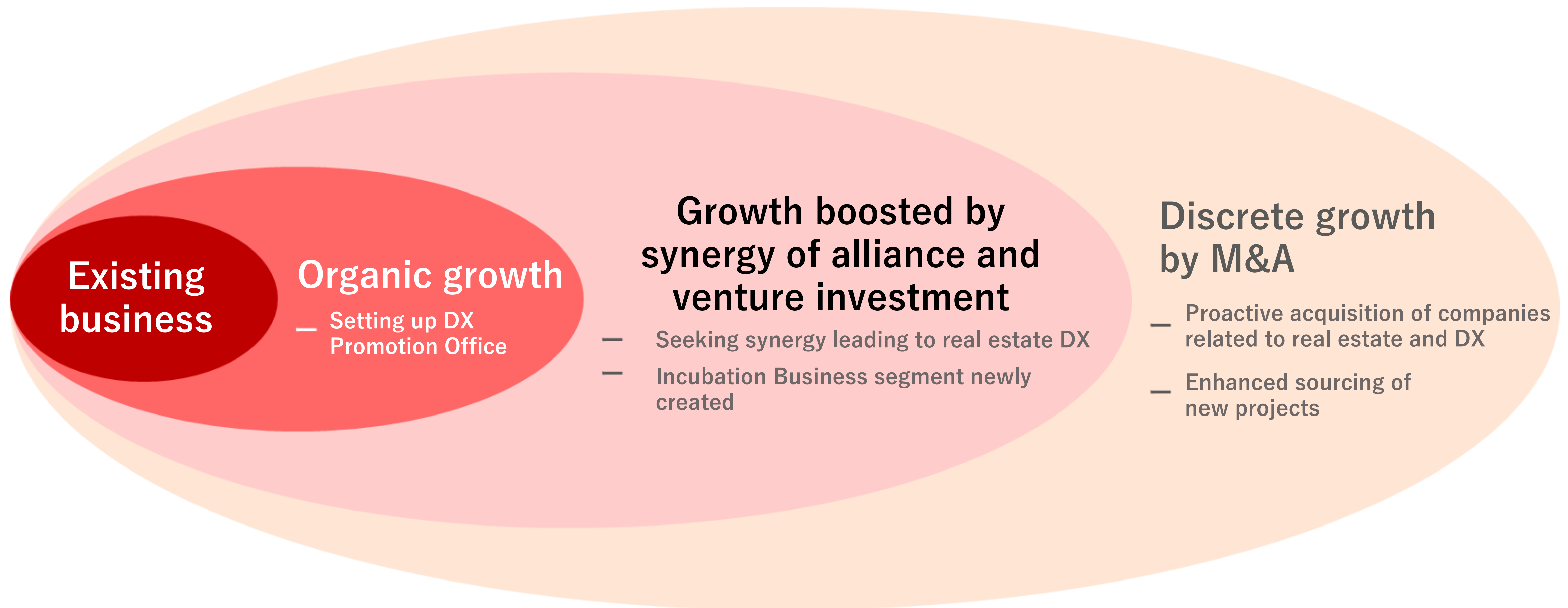
Policy
03

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

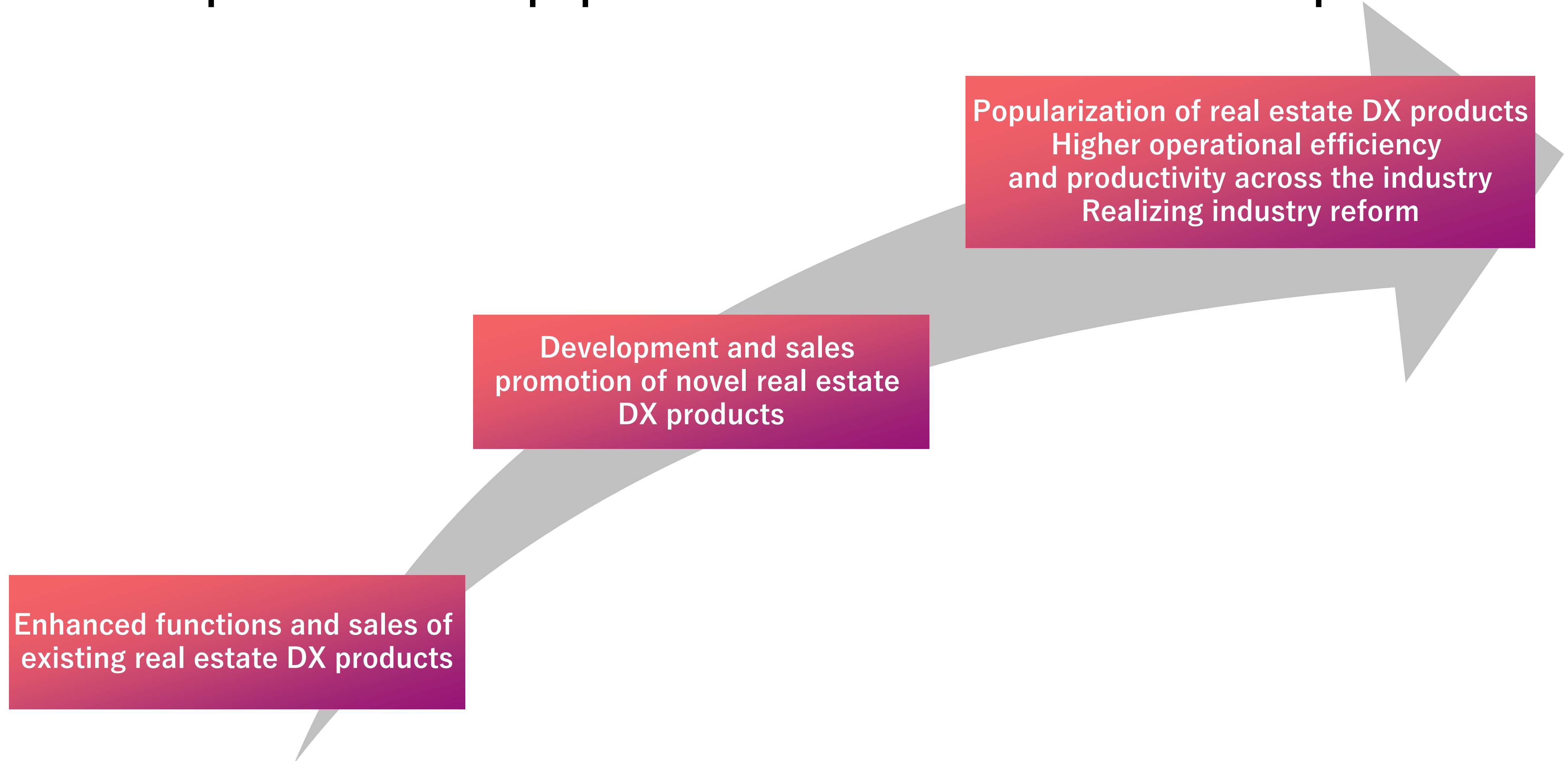
Advanced technologies and optimized digital data should add more value to existing businesses, and create new business in the future



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



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



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 management system (AMBITION Cloud):

in full operation

DX measure

03



Services for consumers (Room concierge)

: Numbers of both users and contracts increased

DX measure

02

AMBITION Sign

Electronic contract package (online explanation of important matters and online contract)

: Brokerage version is complete
Management version is complete

DX measure

04






AMBITION Me

App for residents

: Process for move-in has been implemented
In view of service extension linked with partners during the current term

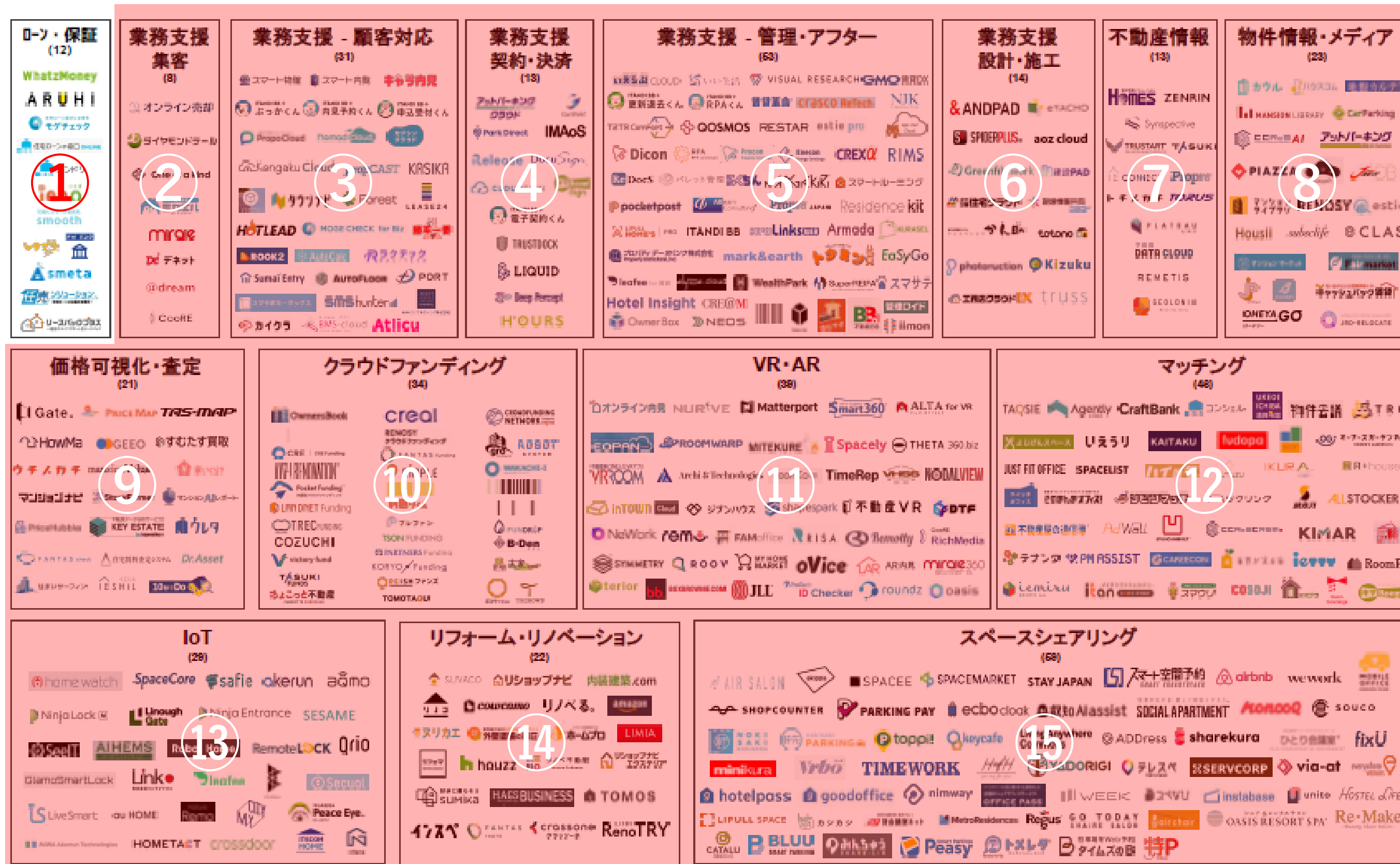
Now in promotion!

Real estate business reform by AMBITION DX products

	service name	service overview	in-house operation	go-live
B2C	 Room Concierge	Matching application which connects users searching for new rooms with a room concierge (sales person for real estate brokerage)		●
RaaS Re-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	●	
		Repair management system	●	
		Offering management system	●	
		Credit management system	●	
		Vacating management system	●	
New contract management system	●			

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

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



8th edition: August 2022 (430 services)

Created by Real Estate Tech Association for Japan

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

FY06/2023 (full term)

Performance forecasts • Dividend forecasts

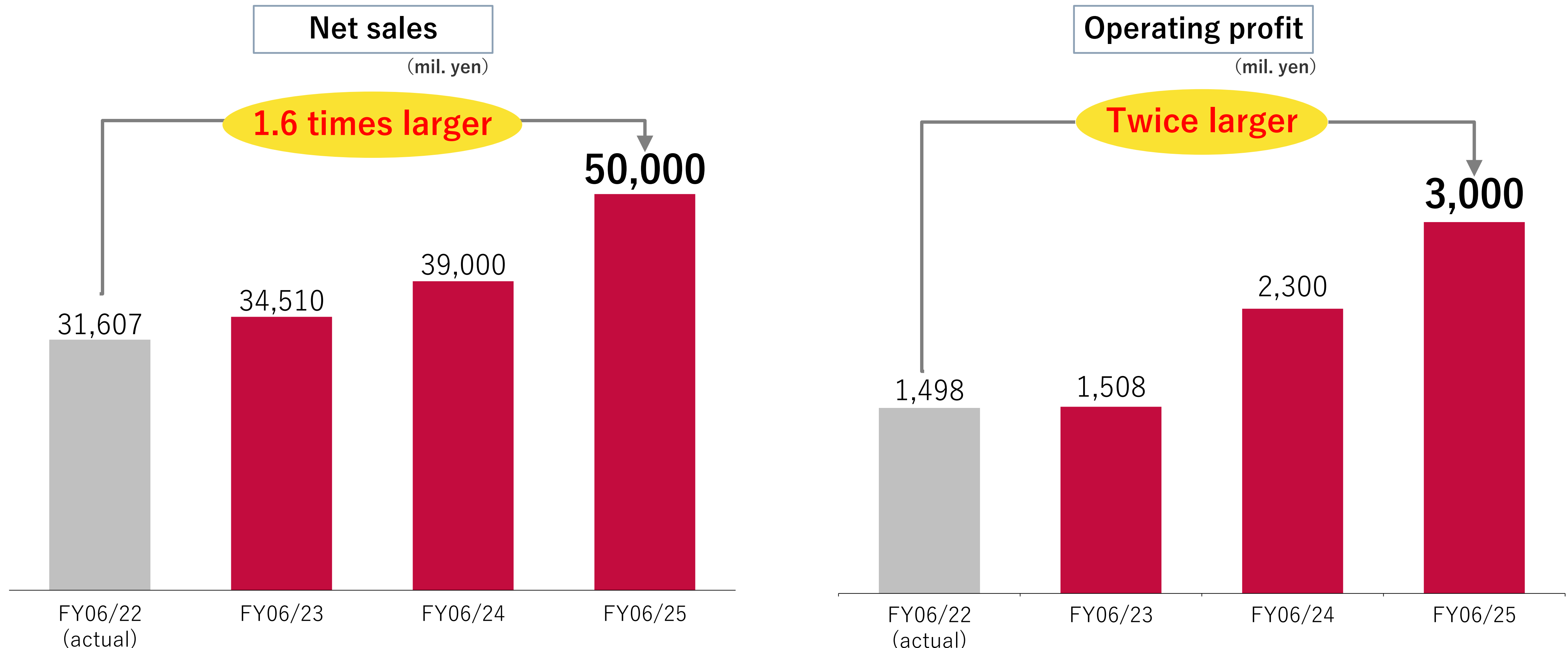
Higher revenues / Higher earnings forecasted

(mil. yen)

	FY06/2022 Actual	FY06/2023 actual*	YoY
Net sales	31,607	34,510	+9.2%
EBITDA (for reference)	1,758	1,825	+3.8%
Operating profit	1,498	1,508	+0.6%
Ordinary profit	1,355	1,371	+1.2%
Net profit attributable to owners of parent	826	838	+1.5%

* 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.

By the end of FY06/2025, Net sales of 50 bln. yen and Operating profit of 3 bln. yen will be achieved.



* 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.

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

FY06/2023 (forecast)

20.00 yen per share

Dividend ratio **16.2%**
Dividend ratio will grow up

FY06/2022

19.00 yen per share

Dividend ratio **15.6%**
4.7 yen higher than initial projection

FY06/2021

13.60 yen per share

Dividend ratio **15.6%**

Section 5

Most recent TOPICS

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.



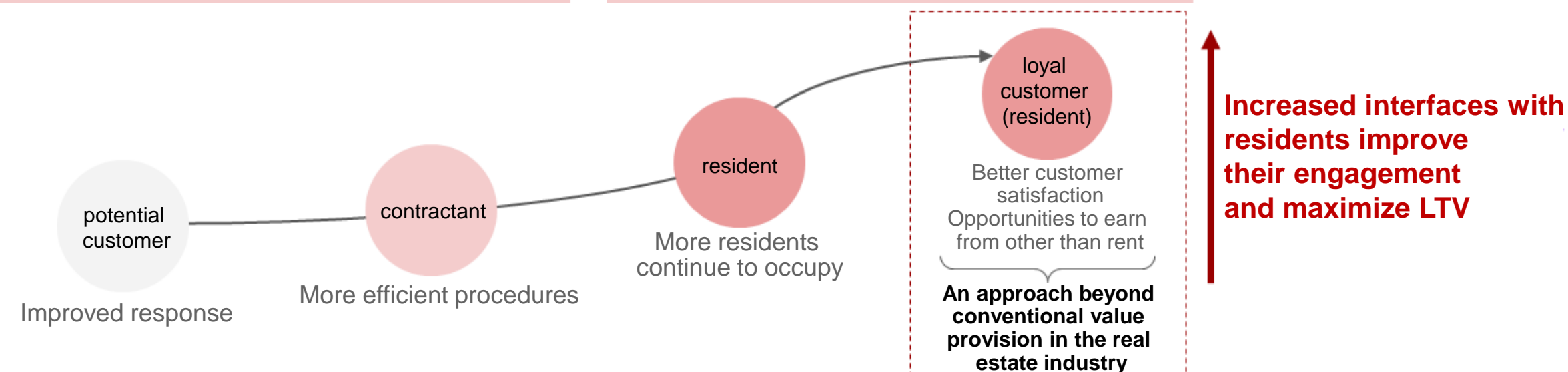
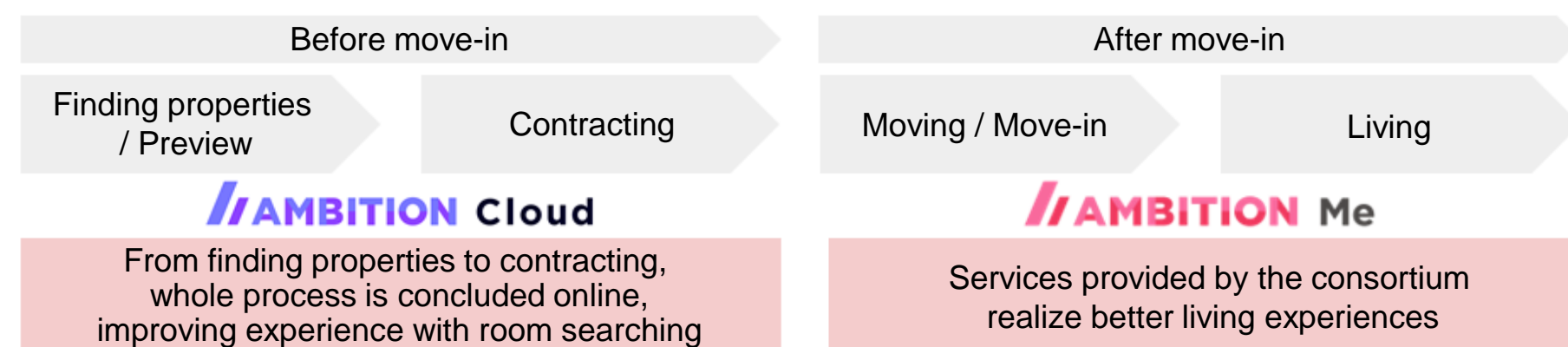
■Shift from conventional paper-based contracts to brief contracts on smartphones is realized

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 digitalization 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.



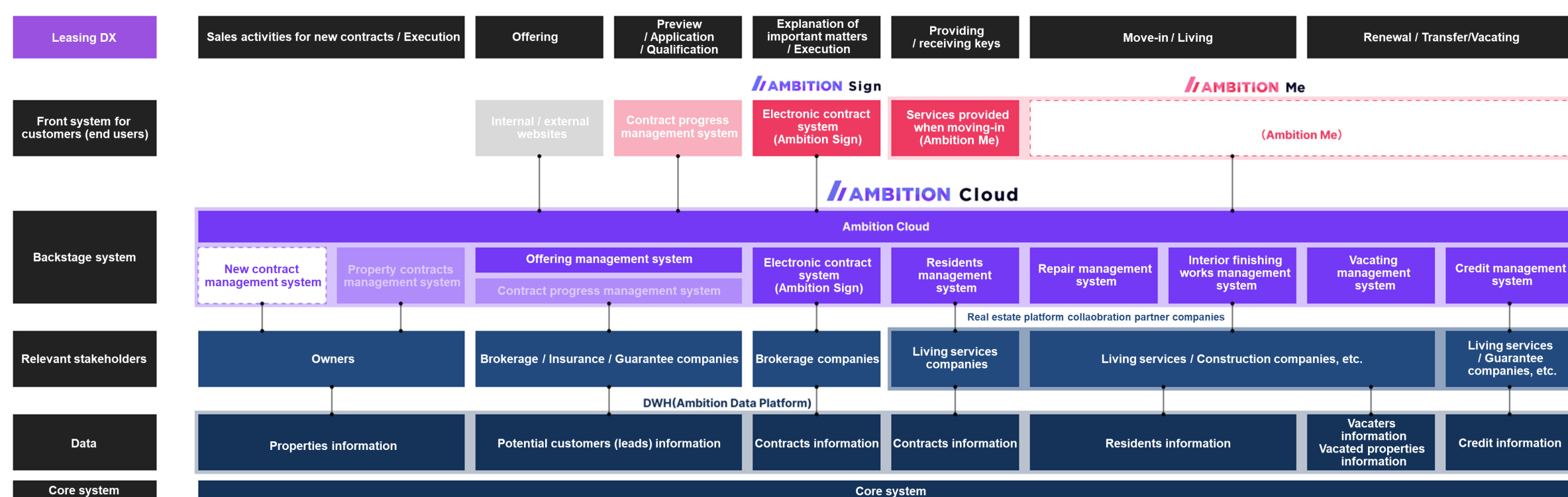
Announced the concept of “AMBITION Cloud”, a blockchain-enabled real estate DX

~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

Bird's eye representation of the system



System services currently under planning/development

■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.

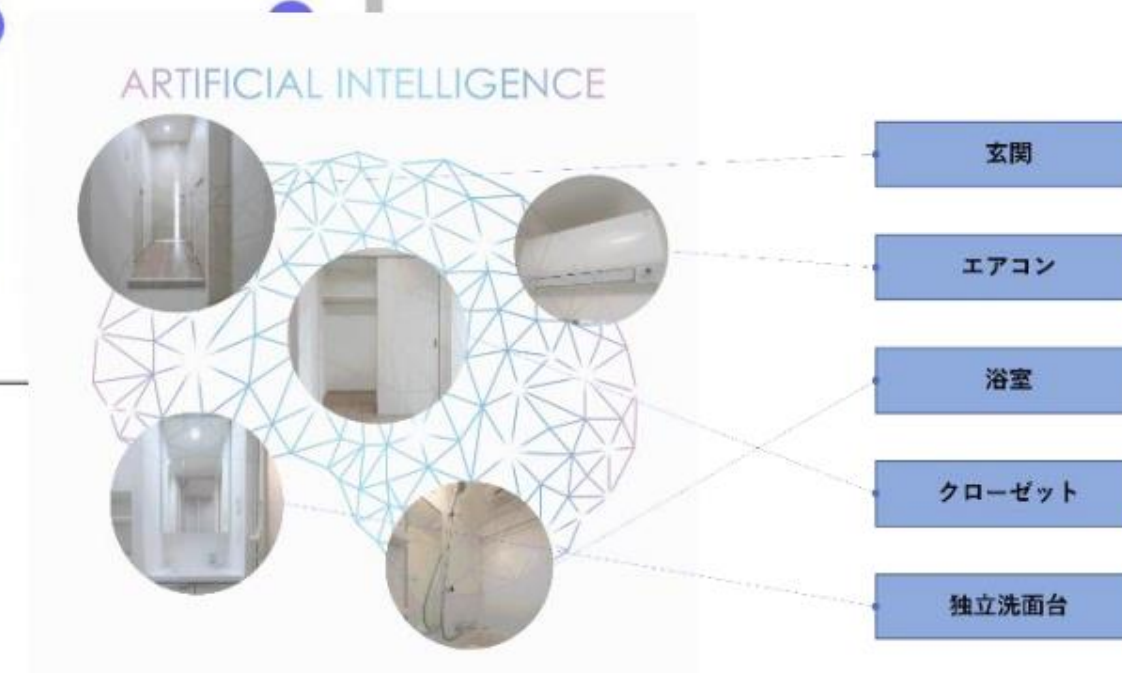
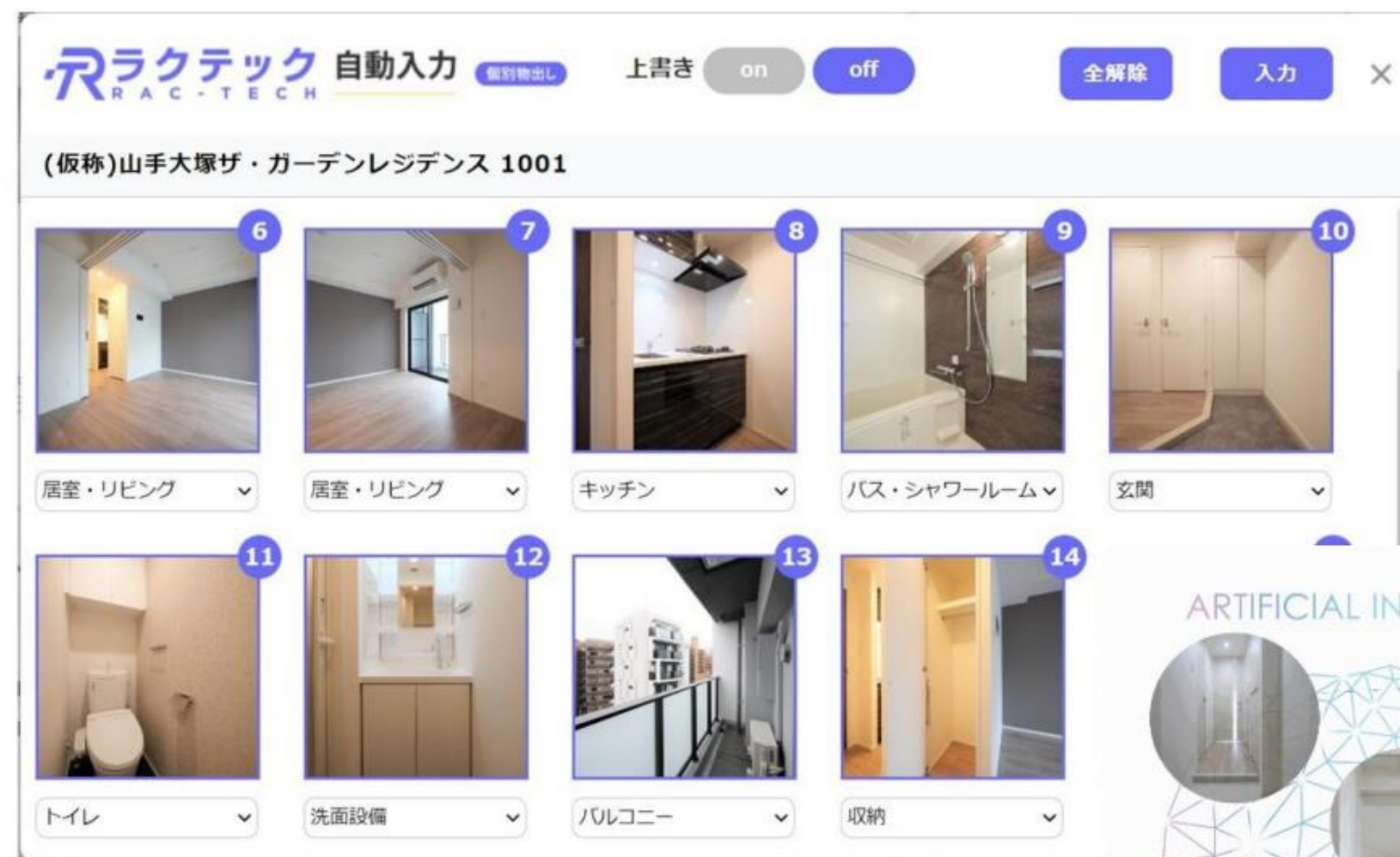
■Utilization of blockchain also realizes secure environment

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 digitalization 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.

AI image recognition / automatic registration functions are implemented on “RAC-TECH”

~Revolutionary functions which enable up to auto-input of properties information to be posted~

Services of “RAC TECH Auto-input”, a system which automates a series of process from searching for properties information to inputting to the portal site are provided, in order for overwhelmingly higher operational efficiency in real estate brokerage business.



■Overview

Thus far, salespersons of real estate brokerage business have been required to input data manually one by one, from searching for properties through to entry to a portal site, wandering over multiple platforms back and forth, which were very cumbersome and inefficient tasks. They are busy inputting properties information and cannot devote themselves to customer services. Such a situation is a big problem that disturbs improvement in profitability of real estate industry. Besides, in the real estate industry, “lack of human resources” is also a serious problem for management executives. Moreover, Japanese government has promoted “work style reform” which is one of important policies, sharply raising needs for improvement in productivity.

To solve that problem, and aiming at improved lives and businesses of all the people involved by means of DX that is our strength, services of “RAC TECH Auto-input”, a system which predicts number of responses with AI and automates a series of process from searching for properties information to inputting to portal site, etc. are provided.

This time, moreover, it has become possible to carry out image recognition/analysis of photographs of properties at the time of getting information of them with AI technologies, to sort features of buildings such as “interior appearance” and “facilities”, and also to register the information portal site, etc. This will, by having AI sort images instead of human as was done before, lead to higher operational efficiency in real estate brokerage business, and thus improved operating profit rate can be anticipated.

The Company will put our efforts to differentiation of RAC TECH, including these functions, which should lead to reinforcement of sales activities for the future.

■Merits of adoption

- Proposal and input of properties information can be automated.
- Completion of input work with easy operation: Relevant property information is entered to the portal site with only a single tap
- Regular update: Addition of supporting websites and functional expansion by AI
- Supports: Those provided by dedicated staff and telephone/e-mail support are permanently free-of-charge
- Operational efficiency: Automation reduces work load by up to 75% (achievement of our customers)

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).

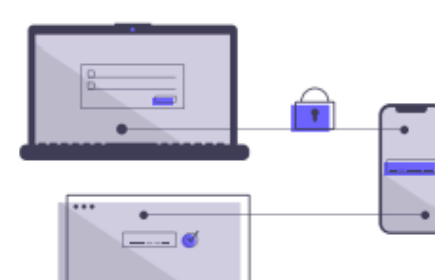
MONOLITH HOPE SSI CO., LTD

common transactions

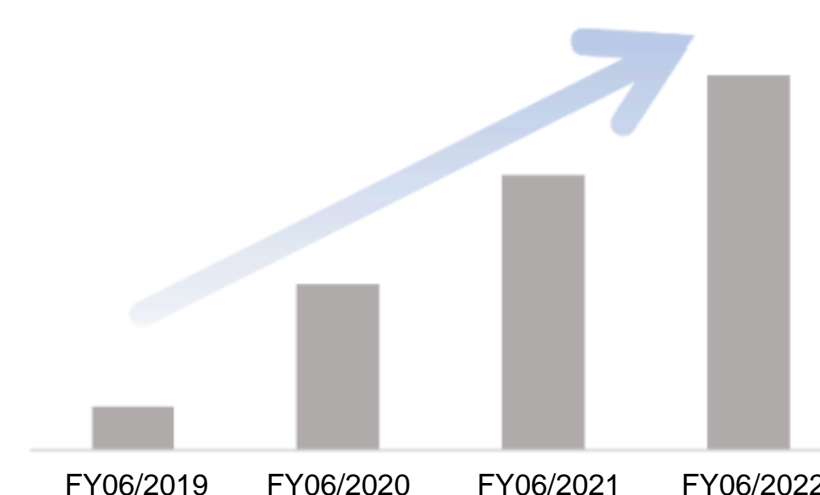
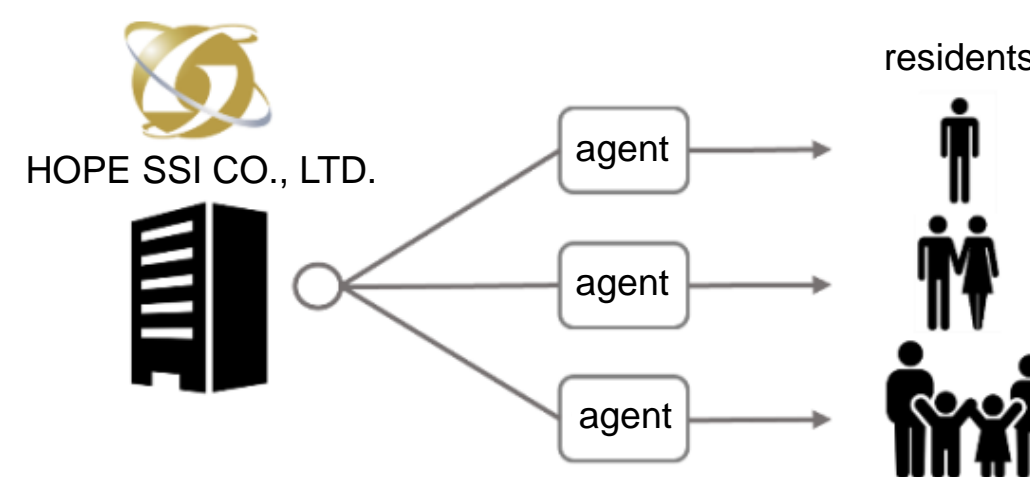


face-to-face / in writing
mailing / bank transfer

HOPE



electronic contract
online settlement



trend in the number of agents (image)

■ Overview

As a key factor of increased number of contracts, HOPE utilized its unique electronic insurance contract system named “MONOLITH” 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 as a subsidiary of AMBITION DX HOLDINGS CO., LTD. listed on the TSE Mothers Market, with Director-General of the Kanto Local Finance Bureau (small amount and short term insurance) in July 2017. 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.



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Disclaimer

This material has been prepared by AMBITION DX HOLDINGS Co., Ltd. (“the Company”) only for purpose of providing corporate information on the Company and its affiliated group companies (“the Group”) and it does not, whether domestically or overseas, constitute inducement of any shares and/or securities issued by the Company.

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.