



March 28, 2023

Company name: Robot Home, Inc.  
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(Stock exchange code: 1435, TSE Prime)  
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Notice Regarding Submission of Plan for Compliance with Continued Listing Criteria

Robot Home, Inc. (the “Company”) hereby announces that, in response to the fact that it had not met the criteria to ensure continued listing on the TSE Prime Market as of the base date December 31, 2022, it has prepared a plan to ensure compliance with the said continued listing criteria. The details are described below.

1. Status of the Company’s compliance with the continued listing criteria and length of plan

The Company’s compliance with the listing criteria for the Prime Market as of December 31, 2022 is as detailed below, with the Company’s tradable share market capitalization not meeting the continued listing criteria. As shown in the table below, the Company shall proceed with the initiatives described below in order to ensure compliance with the continued listing criteria with regards to its tradable share market capitalization by December 31, 2024.

	Number of shareholders	Number of tradable shares	Tradable share market capitalization	Tradable share ratio
Status of Company (as of December 31, 2022)	25,384	460,097	Billion yen 8.0	50.49%
Continued listing criteria	800	20,000	Billion yen 10.0	35%
Status of compliance	Complies	Complies	Does not comply	Complies
Length of plan	–	–	Dec. 31, 2024	–

Note: The determination of the Company’s compliance status was made based on the “Distribution Status, etc., of Share Certificates” submitted by the Company, which was taken by the Tokyo Stock Exchange as of the base date, with the tradable share market capitalization calculated by multiplying the number of tradable shares by the average daily closing price for the three months prior to the end of the fiscal year.

2. Basic policy for initiatives aimed at ensuring compliance with continued listing criteria

The basic policy of the Company is to improve its tradable share market capitalization such that by December 31, 2024, it is able to comply with the criteria for ensuring continued listing on the Prime Market; namely of having a 10.0 billion yen tradable share market capitalization. We shall promote our compliance with the continued listing criteria by engaging in initiatives focused on improving the Company share price, which is a constituent component of tradable share market capitalization, as well as considering other initiatives for components with which we are already in compliance, including the tradable share ratio.

### 3. Issues and details of initiatives

The Group is aiming to achieve a year-on-year operating profit growth rate of 30% or more.

In the results for the fiscal years ended December 31, 2021 and December 31, 2022, we achieved an operating profit of 299 million yen and 645 million yen, respectively. In the consolidated financial results forecast for the fiscal year ending December 31, 2023, we are aiming for an operating profit of 850 million yen. By achieving this results forecast, the operating profit growth rate for the three most recent years will have averaged out at a high level of 49.15%.

Furthermore, the Group has positioned the expansion of income from a stock business (subscription) as its basic policy for the business strategy, assuming an increase in the number of managed properties and the number of properties to which IoT has been introduced. In accordance with the aforementioned basic policy, we shall steadily implement the business strategy described later in this document toward achieving at least 28,000 managed properties and at least 12,000 properties to which IoT has been introduced by December 31, 2024, whereby we believe that we should be able to achieve a year-on-year operating profit growth rate of at least 30% for the fiscal year 2024.

Based on an assumption of a year-on-year operating profit growth rate of 30% for each of the respective fiscal years, we believe that the growth potential in terms of the Group's results trends and KPIs will be as follows:

<Actual results and results trends assuming operating profit growth rate of 30%>

		12/2021	12/2022	12/2023	12/2024
		(Actual)	(Actual)	(Forecast)	(Forecast)
Net sales	Thousand yen	4,090,000	5,421,000	8,500,000	13,000,000
Operating profit	Thousand yen	299,000	645,000	850,000	1,105,000
Growth rate	%	–	115.7%	31.7%	30.0%
Profit	Thousand yen	373,000	719,000	800,000	1,040,000
PER	Times	81.99	39.30	21.91	21.91
Market capitalization	Billion yen	22.9	15.8	17.5	22.7
Tradable share ratio	%	50.93%	50.49%	50.49%	50.49%
Tradable share market capitalization	Billion yen	11.6	8.0	8.8	11.5

<KPI growth potential>

		12/2021	12/2022	12/2023	12/2024
		(Actual)	(Actual)	(Target)	(Target)
Number of managed properties	Properties	25,866	26,103	26,500	28,000
Number of properties to which IoT has been introduced	Properties	9,961	10,509	11,000	12,000

Based on the above, the Company intends to prioritize the following in order to improve the Company's tradable share market capitalization: (1) "Execution of business strategy," (2) "On-going implementation of IR activities," and should these initiatives prove inadequate, (3) "Increase in the number of tradable shares."

## (1) Execution of business strategy

### <AI/IoT business>

In the AI/IoT business, we have continued to develop and operate, and provide services for, the rented property IoT platform “Residence kit,” through which we aim to automate real estate management.

Moving forward, we will continue to focus on the following in order to further expand the “Residence kit” service.

- Increase in the number of properties to which IoT has been introduced


The Group is continuing to develop and operate “Residence kit” toward increasing the number of sold properties to which IoT has been introduced.

As part of this initiative, we are working to improve convenience, including by jointly developing an intercom system with Electric Works Company, Panasonic Corporation (hereinafter, “Panasonic Corporation”). The intercom system jointly developed with Panasonic Corporation can be installed not only in real estate for investment developed by the Group, but also in medium- and large-sized condominiums developed by other companies. Furthermore, as the “Residence kit” is a standard specification for properties for investment developed by the Group, as well as it helping achieve further growth for the income club business, we also hope that it will help improve the number of properties to which IoT has been introduced. Through the above initiatives, we are aiming to achieve figures of at least 11,000 properties to which IoT has been introduced by December 31, 2023, and then 12,000 properties by December 31, 2024.

**Panasonic and Residence kit jointly develop an intercom system that can be linked with an tenants' app for rental housing**

**The first property completed in February 2023 in the Kanto area**

An app developed by Residence kit, Inc. “Residence kit for Customer (hereinafter the “Tenants' app”)” can not only operate IoT devices but also communicate with a management company managing tenants' properties, and has been used by over 24,000 tenants in total. In the joint development, Residence kit, Inc. will link the app with an apartment intercom device developed by Panasonic, and Panasonic will develop software for the intercom device to link the system with the app. The intercom system developed by Panasonic will serve as an automatic fire alarm system for apartments, and will be able to be introduced in mid- and large-scale apartments as well as housing complexes developed by the Company.



Top: 3D illustration of the exterior of the completed property  
Bottom: Residence kit for Customer (Tenants' app) and an apartment intercom device made by Panasonic

### <PM platform business>

In the PM platform business, the Company has strived to secure stable recurring income by conducting streamlined PM operations through the introduction of the rental management RPA system, “Residence kit for PM,” which utilizes core technologies such as AI and IoT. Moving forward, we will continue with initiatives focusing on the following two areas with the aim of further increasing our stock base:

- Measures to increase the number of managed properties

We will look to measures to increase the number of managed properties by improving recognition through ad

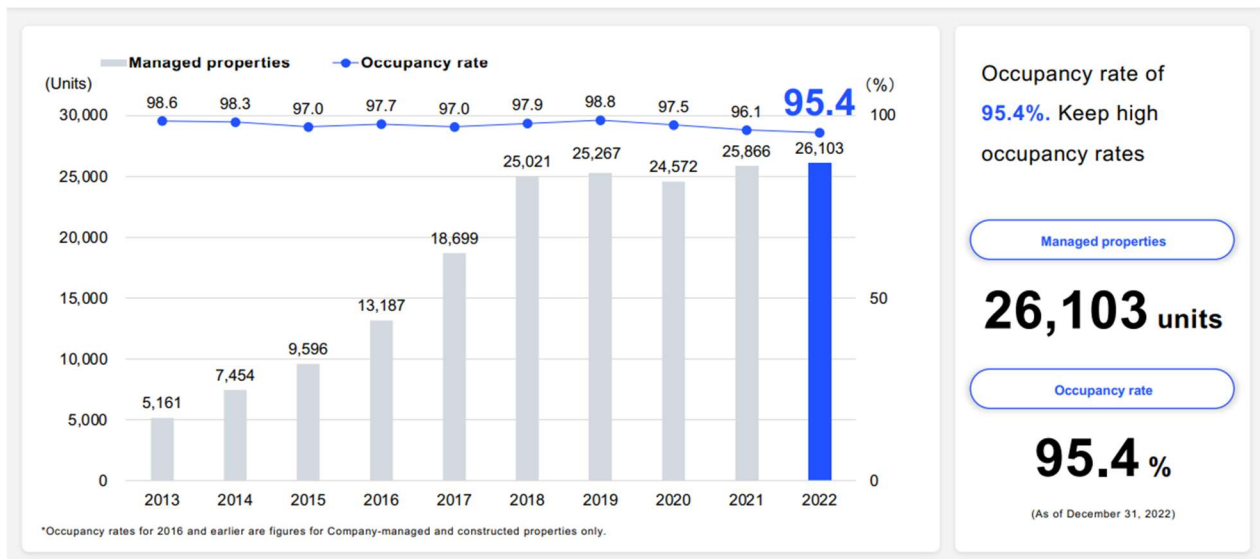
distribution, contracting management from proposals to real estate developers to utilize IoT, contracting management from IoT sales to real-estate owners, and expansion through M&A of management companies.

- Measures for maximizing profit through initiatives in PM-adjacent areas

In order to expand the profit foundations of the PM platform business, the Group is engaged in initiatives to expand its businesses in adjacent areas, including expanding company-guaranteed shares and transitioning to insourcing in maintenance-related areas.

With regard to future initiatives, we are aiming to further maximize profits in PM-adjacent areas by steadily growing businesses to which we are already committed and starting out in areas which have yet to grow, such as expanding company-guaranteed shares and further improving profitability in maintenance-related areas.

### Stable recurring income that maintains high occupancy rate



### <income club business>

With regard to the income club business, we provide a service that allows users to view, examine, and purchase real estate for investment on “income club,” a real estate investment marketplace.

Moving forward, we are engaged in initiatives focused on the following points geared towards the further stabilization of our profit foundations.

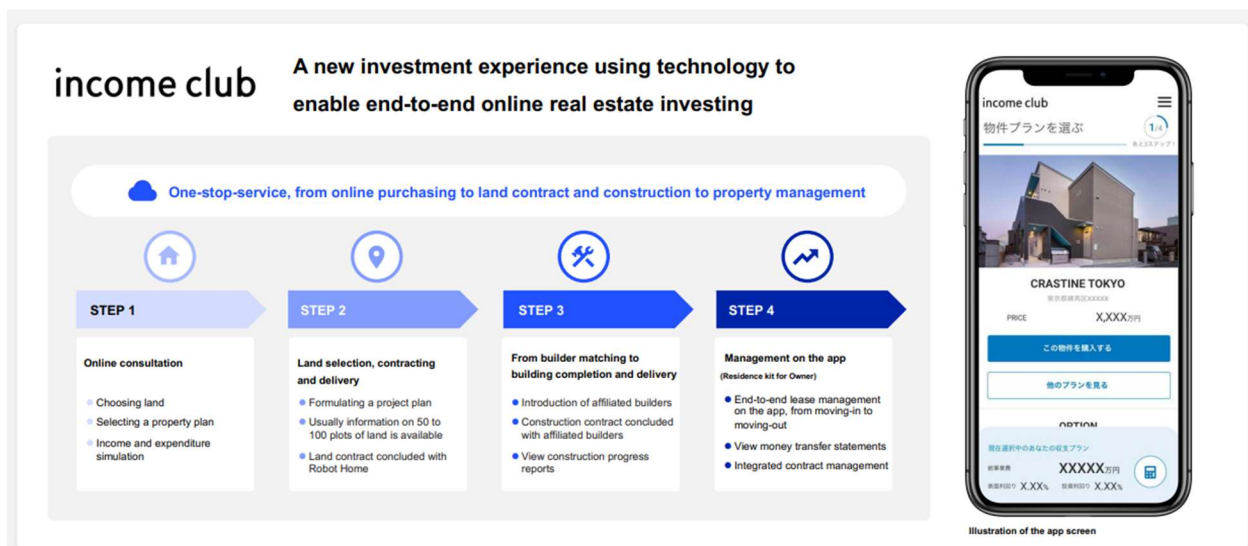
- Construction of a business model with a high inventory turnover rate

As part of the income club business, we are currently developing a new income club platform app that can provide a one-stop shop for real estate investment, for everything from purchasing to land purchasing agreements and from construction to management.

Use of this app will allow us to efficiently transition our business model from a “ready-built property model” in which properties are handed over to the buyer upon completion of construction to an “off-plan model” in which the construction of the property is contracted following the handover of land concluding a land sale. By adopting the business model described above, it should be possible to operate using a business model with a high inventory turnover

rate, which, in turn, will allow us to shift to a model with a good capital efficiency ratio.

We expect to gradually roll out this business model from the third quarter of the fiscal year ending December 31, 2023, whereby we aim to achieve further future growth for the income club business and a stabilization of our profit foundation.



## (2) On-going implementation of IR activities

In addition to carrying out financial results briefing sessions for institutional investors and analysts twice a year, and hosting small meetings every quarter, we have also expanded the scope of documents subject to disclosure that are available in English, including quarterly consolidated financial results and financial results briefing materials in order to provide information easy to understand even for overseas investors. Furthermore, by proactively making disclosures on an on-going basis regarding topics related to the Company's business on the Company IR website, we are providing information that can contribute to an understanding of the Company.

By continuing to implement the aforementioned IR activities, we will improve communication with all our investors and shareholders.

## (3) Increase in the number of tradable shares

In order to increase our tradable share market capitalization, we believe that it is necessary to improve either or both of the Company's share price and number of tradable shares. We believe that by implementing the aforementioned (1) "Execution of business strategy," (2) "On-going implementation of IR activities" as improvement measures, we can expect to fulfil the continued listing criteria. However, should circumstances arise in which it does not seem possible that we will be able to increase our tradable share market capitalization due to external factors, we will also consider selling some of the Company's shares held by the Company officers and stakeholders.

However, owing to how a large scale selling of shares onto the market can result in a fall in share price, we will be sure to give due consideration to how to do this most effectively while monitoring trends in the market.