

Robot Home

A life with Robot Home can change the world.

Robot Home, Inc. FY2023 1Q FINANCIAL RESULTS

May 2023 Robot Home, Inc. (TSE Prime:1435)

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1. FY2023 1Q Financial Results Overview

Company overview

Name	Robot Home, Inc.	Businesses	AI / IoT business Robot Home business (*)
Head office	7-4-15, Ginza, Chuo-ku, Tokyo		
Established	January 23, 2006	Subsidiaries	Residence kit, Inc. income club Inc. TABICT, Inc. Sunassu Co., Ltd. IDC Inc. Next Relation, Inc.
Representative	Daisaku Furuki, Representative Director/CEO		
Capital	7,470 million yen (Including capital surplus)		
Employees	194 persons (consolidated basis / full-time employees / as of March 31, 2023)		

* PM platform business and income club business were integrated into Robot Home business.

FY2023 1Q Highlights

- Consolidated net sales of **¥2,171** million, up **83.8%** year on year
- Consolidated operating profit of **¥235** million, up **60.1%** year on year
- Change of reportable segments

Change of reportable segment

FY2022

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

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

FY2023

AI / IoT business

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

Robot Home business

- Operation of rental property management platform "Residence kit"

➔ **Further expansion of flow and recurring revenue resources**

Consolidated statements of income

(Unit: million yen)	FY2022 1Q	FY2023 1Q	YoY Change (¥)	YoY Change (%)
Net sales	1,181	2,171	989	+83.8%
Gross profit	776	870	94	+12.1%
Selling, general and administrative expenses	629	635	5	+0.9%
Operating profit	146	235	88	+60.1%
Ordinary profit	176	228	51	+29.4%
Profit attributable to owners of parent	172	351	178	+103.3%

- Consolidated net sales of ¥2,171 million, up 83.8% year on year
- Consolidated operating profit of ¥235 million, up 60.1 % year on year
- Posted gains on the sale of securities of ¥145 million as an extraordinary income

Segment Information

	(Unit: million yen)	FY2022 1Q	FY2023 1Q	YoY Change (¥)	YoY Change (%)
Consolidated	Net sales	1,181	2,171	989	+83.8%
	Operating profit	146	235	88	+60.1%
AI / IoT business	Net sales	99	89	▲10	▲10.4%
	Operating profit	56	31	▲25	▲43.8%
Robot Home business*	Net sales	1,081	2,082	1,001	+92.5%
	Operating profit	386	481	95	+24.8%

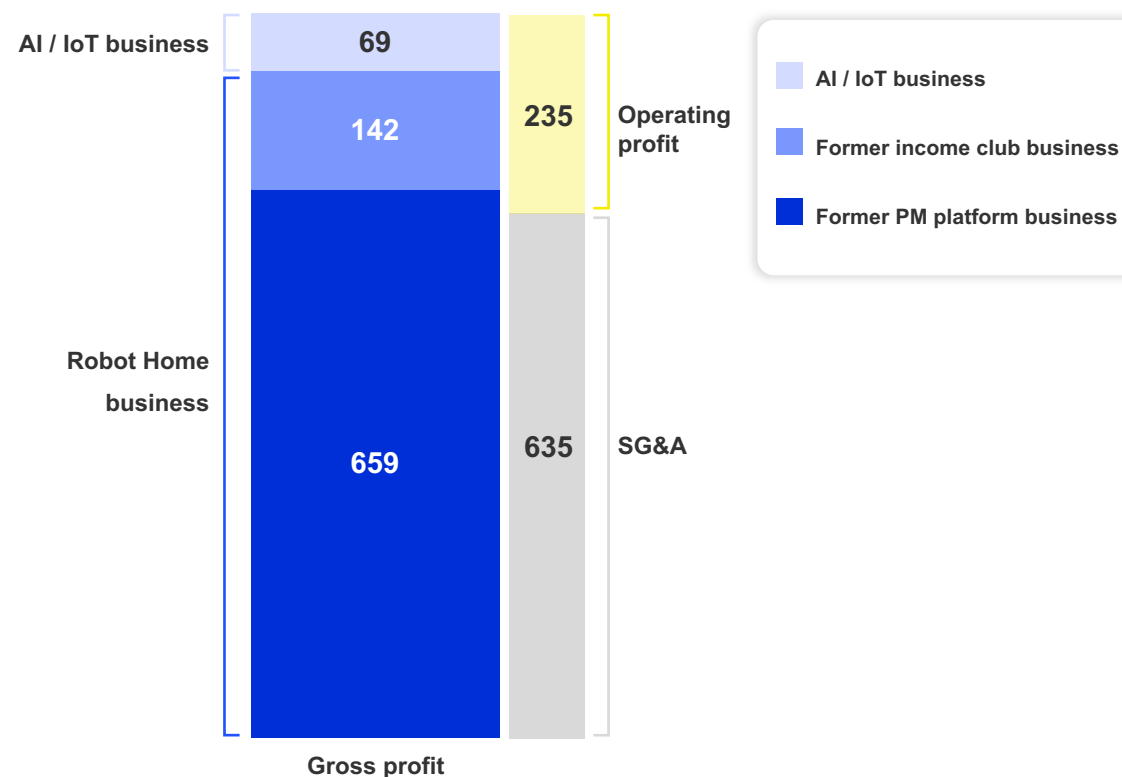
- Achieved consolidated operating profit of ¥235 million, up 60.1% year on year
- AI/IoT business decreased its sales and profit
- Robot Home business increased its sales and profit thanks to stable growth

* PM platform business and income club business were integrated into Robot Home business.

Segment Information (breakdown)

(Unit: million yen)	Consolidated P/L	Reportable segments		
		AI / IoT business	Robot Home business	
			Former income club business	Former PM platform business
Net sales	2,171	89	1,333	749
Gross profit	870	69	142	659
Selling, general and administrative expenses	635	37	86	234
Operating profit	235	31	55	425

Structure to secure profits based on stable recurring income using platform



Consolidated balance sheets

(Unit: million yen)	December 31, 2022	FY2023 1Q	YoY Change (¥)
Current assets	8,249	8,552	302
Cash and deposits	4,219	4,557	338
Inventories	3,524	3,370	▲153
Non-current assets	2,503	2,664	160
Total assets	10,753	11,217	463
Liabilities	2,858	3,026	168
Interest-bearing debt	572	584	12
Net assets	7,895	8,190	295
Total liabilities and net assets	10,753	11,217	463

- Equity ratio: 73.0%
- Dividend of surplus: ¥89 million

Financial results forecast

(Unit: million yen)	FY2022 (Actual results)	FY2023(Forecast)			
		Forecast		Actual results	
		Full year	YoY Change (%)	1Q	Progress rate
Net sales	5,421	8,500	+56.8%	2,171	25.5%
Operating profit	645	850	+31.7%	235	27.6%
Ordinary profit	664	800	+20.3%	228	28.5%
Profit attributable to owners of parent	719	800	+11.2%	351	43.9%

2. Robot Home Growth Strategy

AI / IoT business

Net sales

¥89million

Operating profit

¥31million

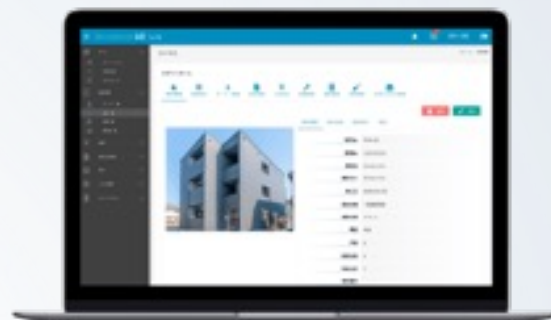
Outline of IoT platform for rental housing, “Residence kit”

Providing a platform that leverages AI/IoT technologies to connect all players – residents, owners, leasing agents and leasing management companies – and automating rental property management.

Assets × AI / IoT

Increasing asset value by utilizing AI/IoT

Residence **kit**
for PM



Residence **kit**
for Customer

Move-in



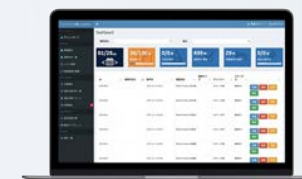
Residence **kit**
for Owner

Ownership



Residence **kit**
for Maintenance

Maintenance

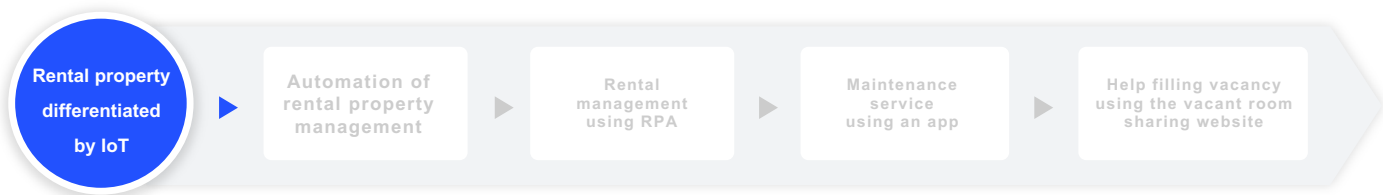


Residence **kit**
for Agent

Receipt of move-in request



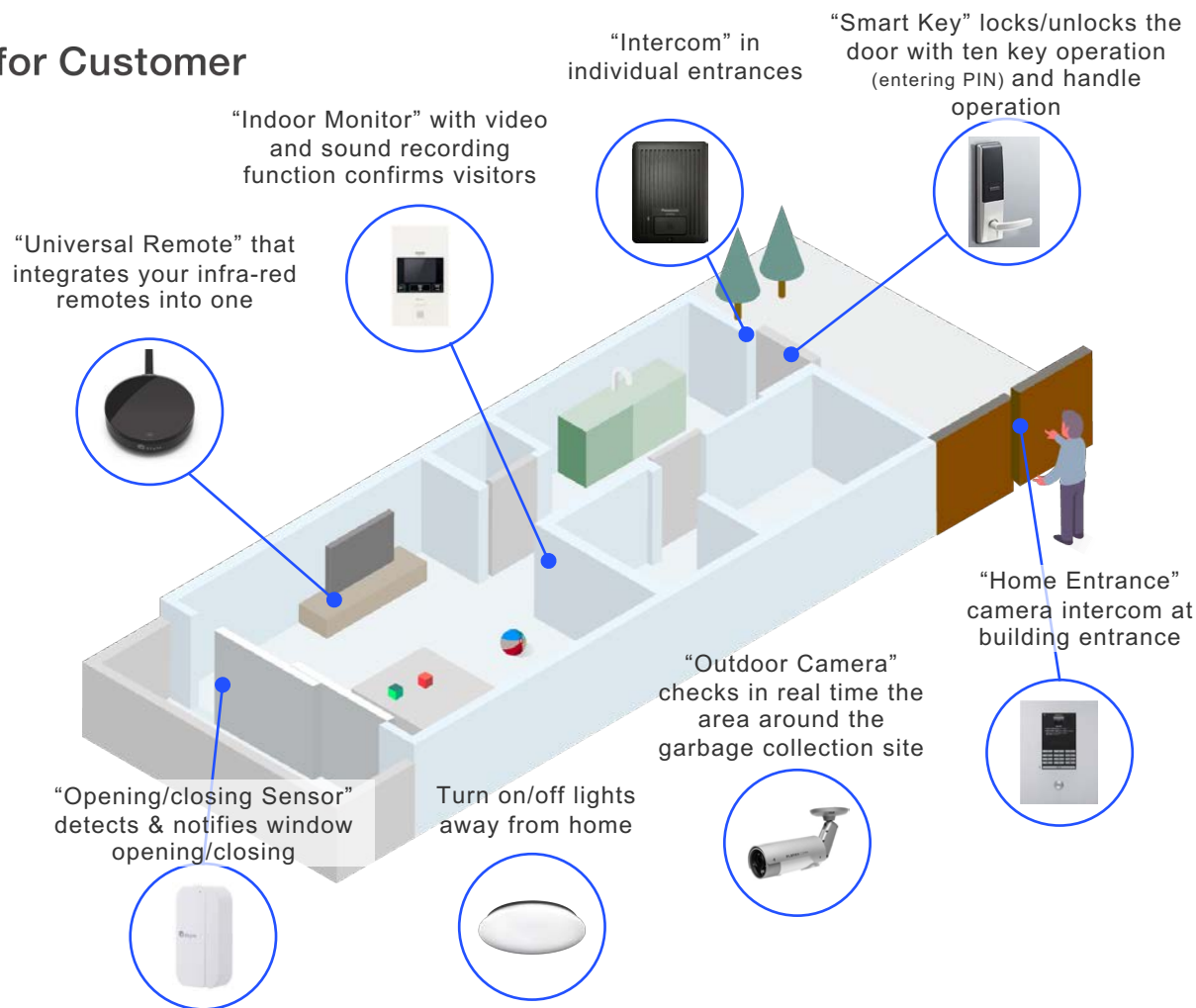
Provide next-generation DX rental housing



Residence **kit** for Customer



*The apartment layout is a sample.



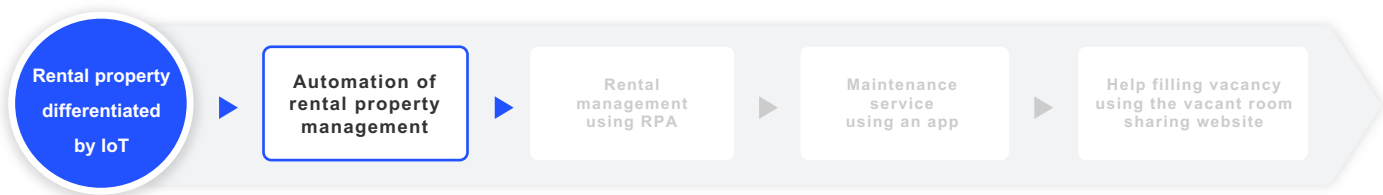
Introduced in more than **10,000 units** and continues to increase steadily.

Number of units that introduced IoT

10,659

(as of March 31, 2023)

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



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

Number of owners

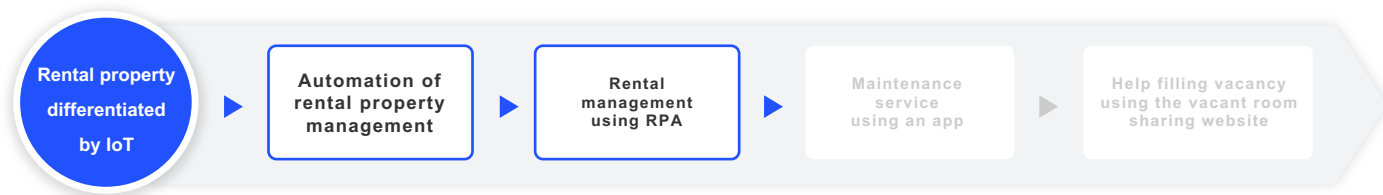
2,075

(as of March 31, 2023)

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

* Image UIs are contained.

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

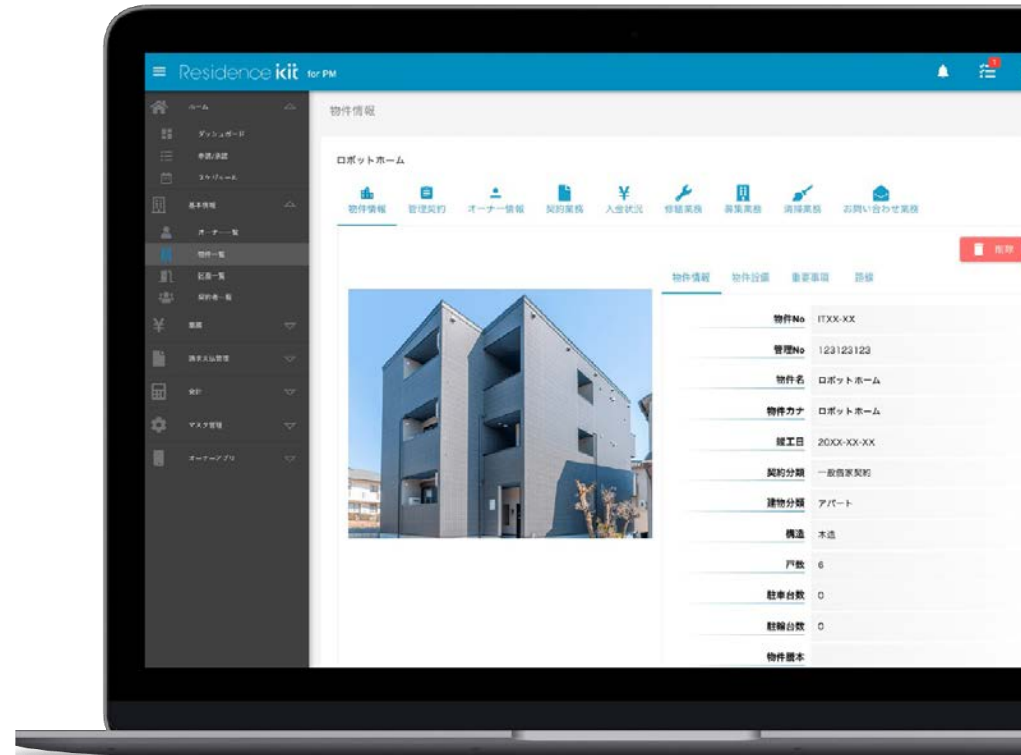
Management of property information, management of and search for owner information

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



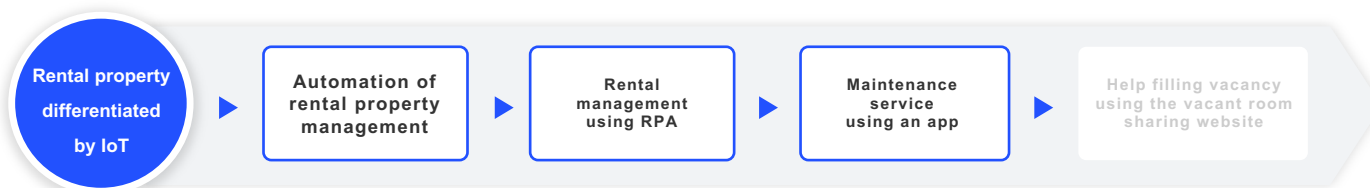
Reduces vacancy risk and improves service quality by streamlining operations utilizing RPA.

Number of units that introduced RPA

25,476

(as of March 31, 2023)

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

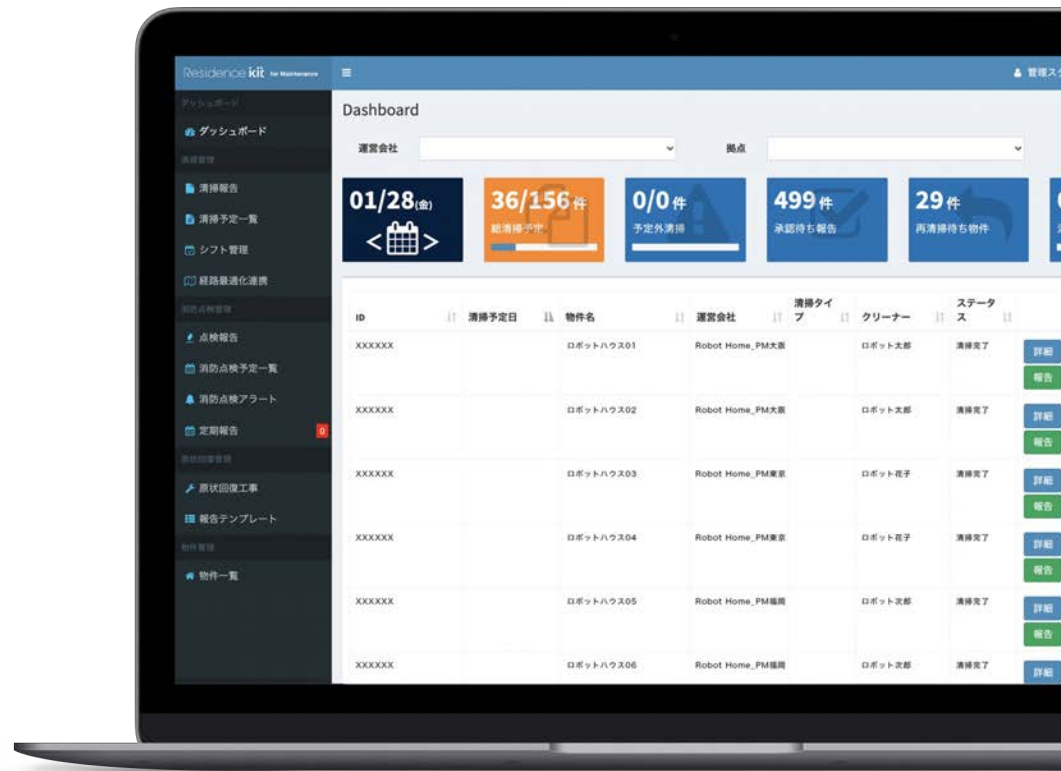
Maximally efficient routes are presented to janitors.

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

13,394 times

Fire-fighting inspection

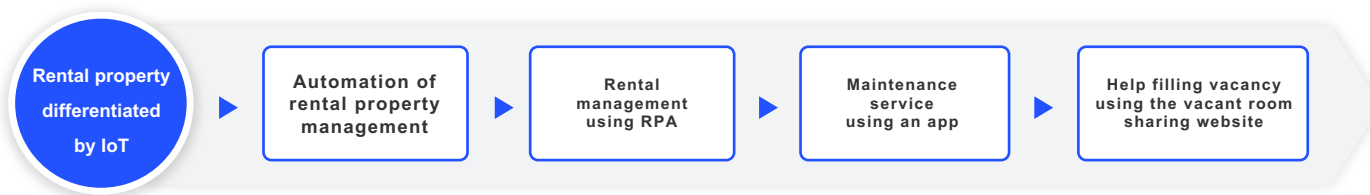
1,014 times

Restoration work

1,202 cases

(as of March 31, 2023)

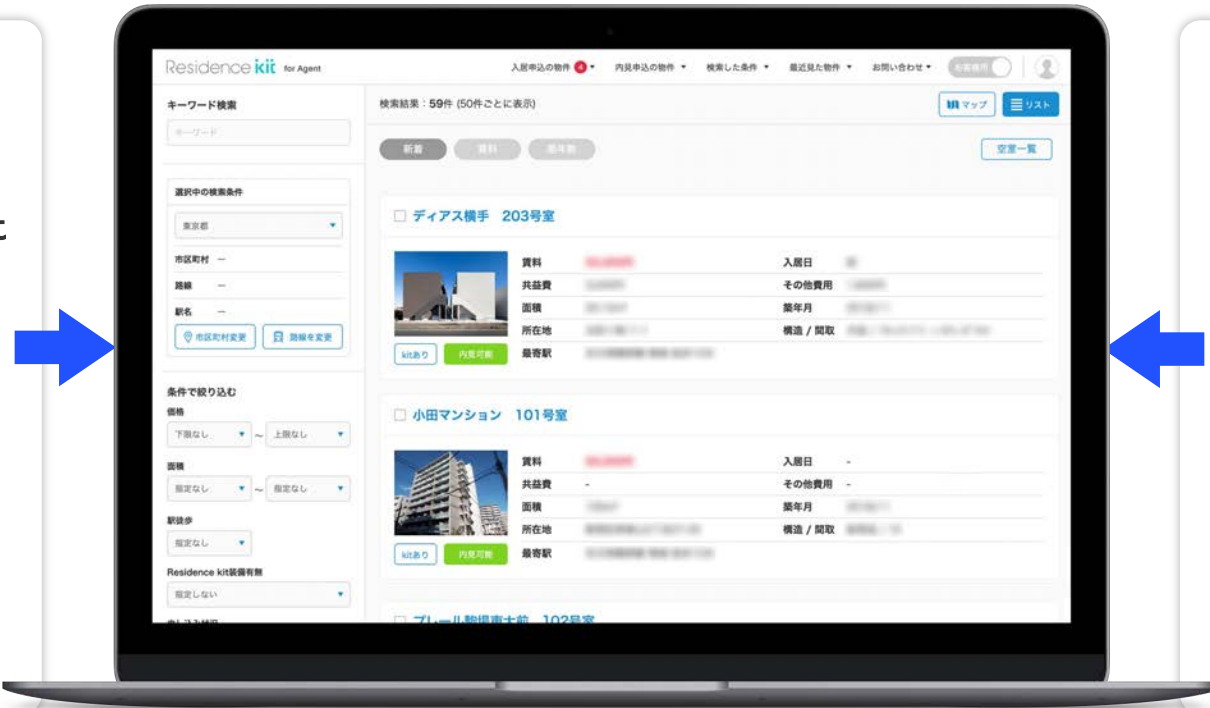
Agents can find tenants more efficiently through the vacant room sharing website



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

7,482
registered agents in

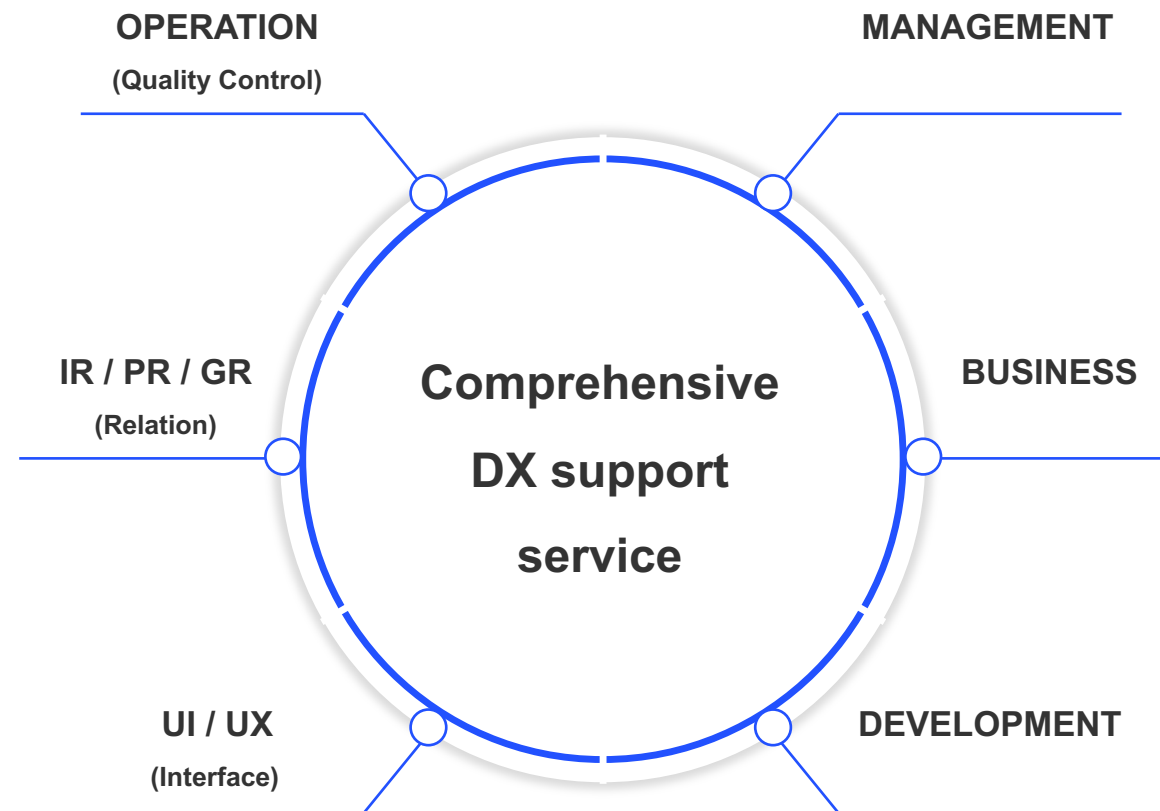
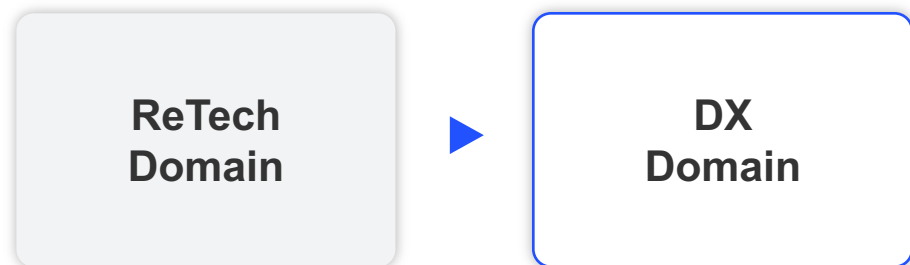
24
prefectures nationwide

(as of March 31, 2023)

Overview of comprehensive DX support service

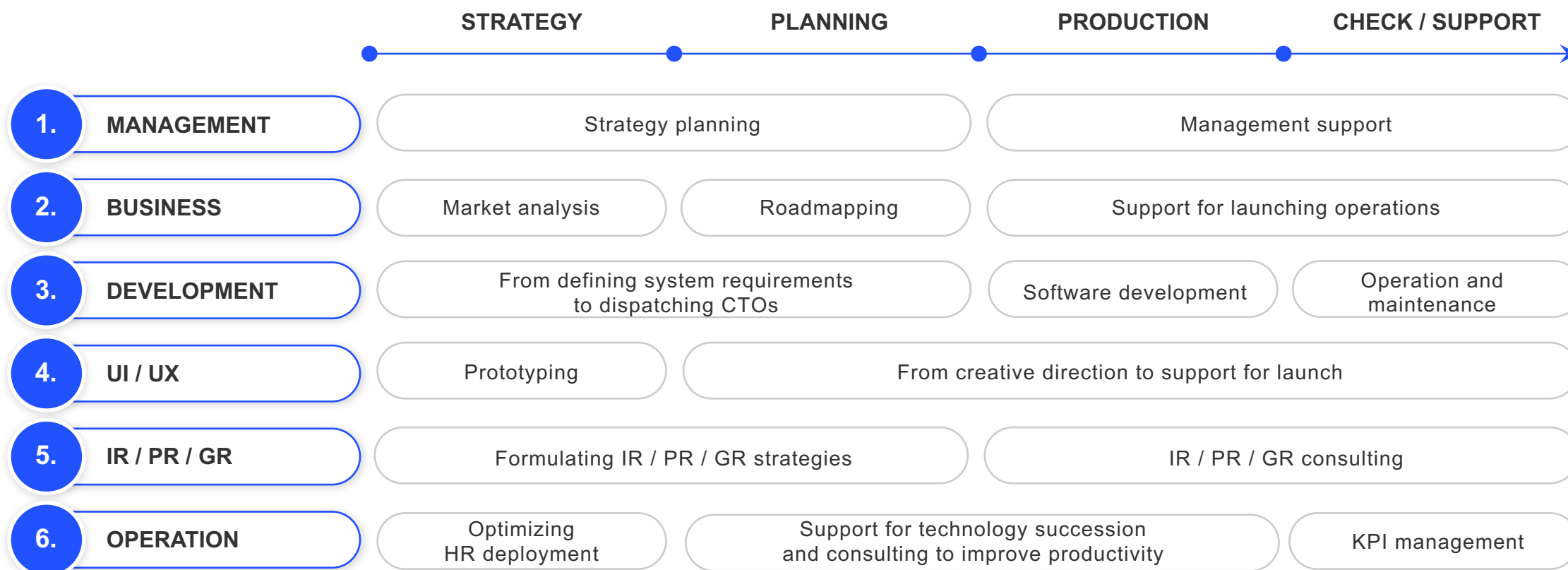
Launched a comprehensive DX support service drawing on our experience of developing and running various in-house products combining real estate and IT

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

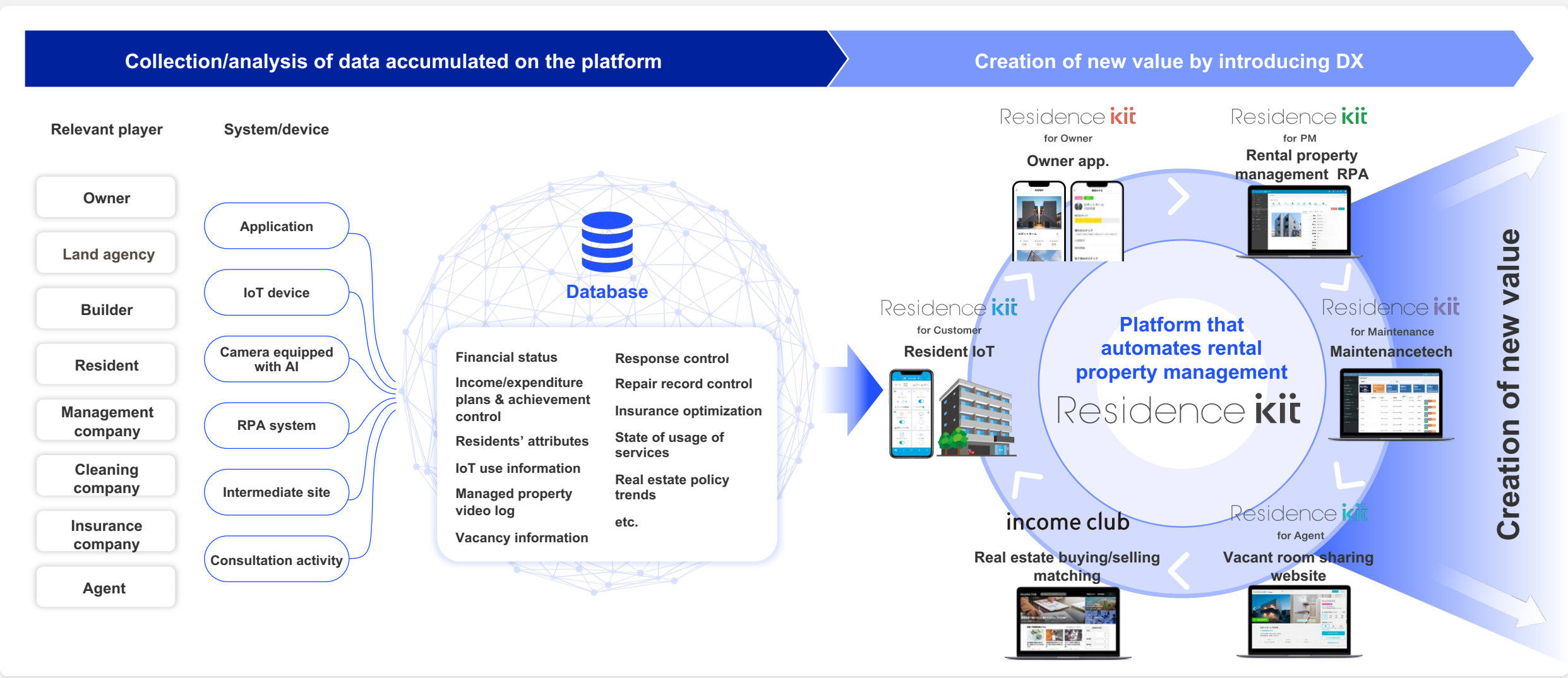
Current clientele: 33 companies. (as of March 31, 2023)



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

Current clientele of comprehensive DX support service

Maximize the value of collected data and capitalize on them to develop new business models



Robot Home business

Net sales

¥2,082million

Former income club business ¥1,333 million

Former PM platform business ¥749 million

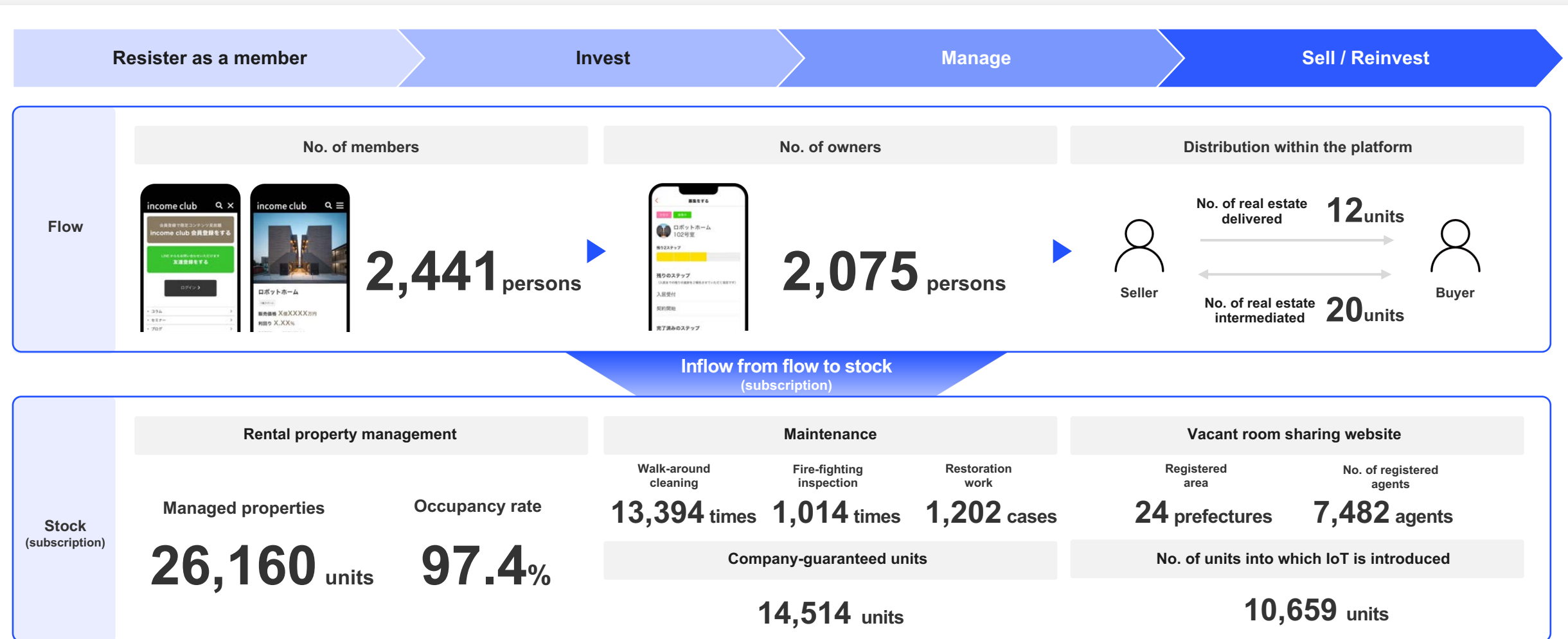
Operating profit

¥481million

Former income club business ¥55 million

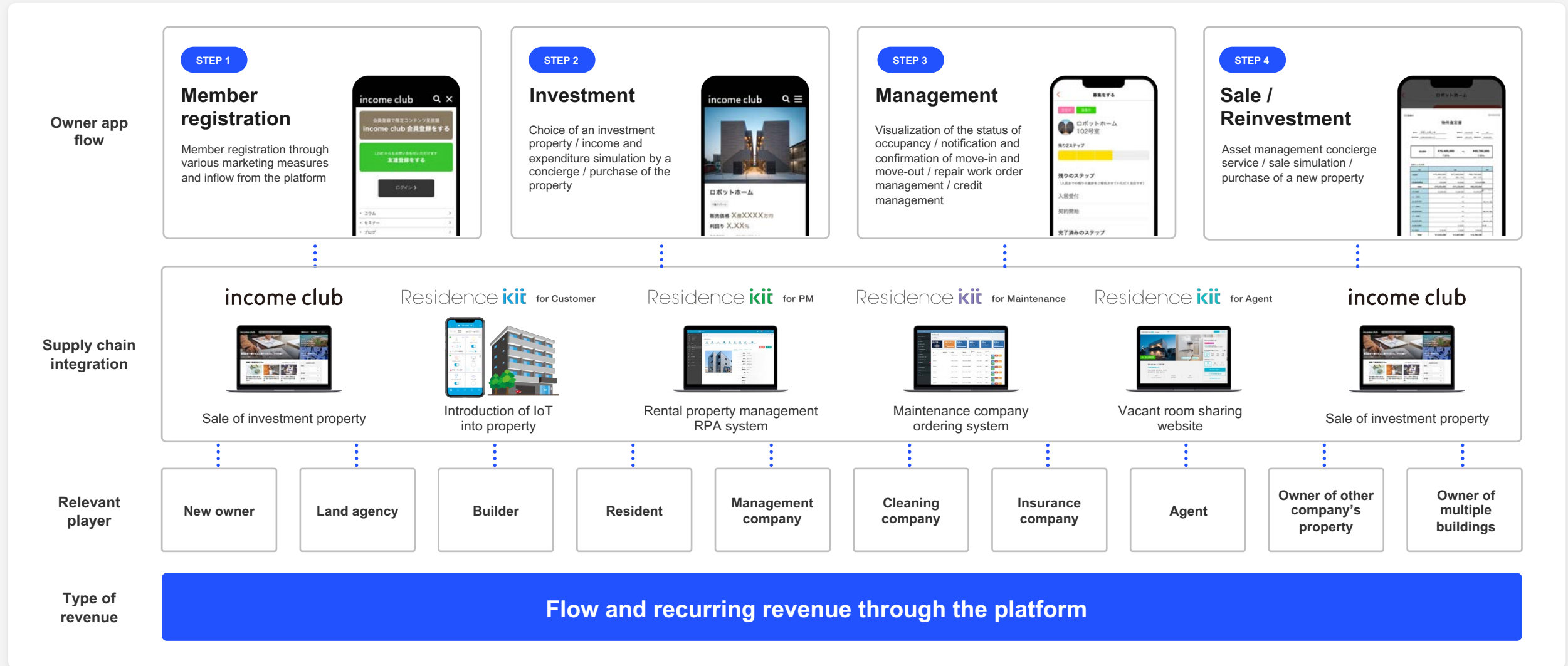
Former PM platform business ¥425 million

Business model overview



(As of the end of March 2023)

Connect all players on the platform and automate rental property management



Develop a platform leveraging technology for rental property management owners

STEP 1

Register as a member



Member registration through various marketing measures and inflow from the platform

income club

STEP 2

Invest



Choice of an investment property / income and expenditure simulation by a concierge / purchase of the property

income club

STEP 3

Manage



Visualization of the status of occupancy / notification and confirmation of move-in and move-out / repair work order management / credit management

Residence **kii** for Owner

STEP 4

Sell / Reinvest



Asset management concierge service / sale simulation / purchase of a new property

Residence **kii** for Owner

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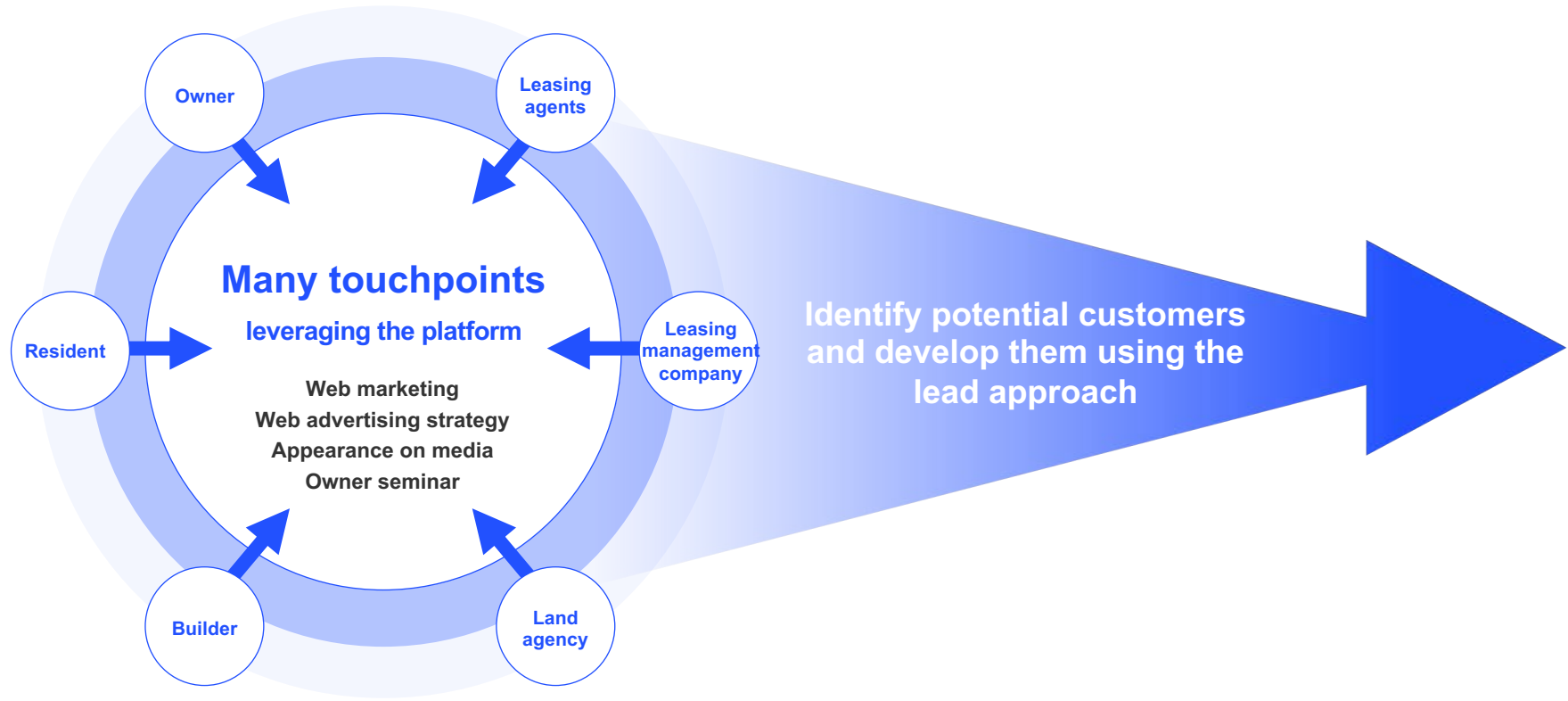
Asset management concierge service / sale simulation / purchase of a new property

Residence kii for Owner

Increase members through many touch points leveraging the platform

STEP 1
Register as a member

Increase members through inflow from the platform while using various marketing measures



Develop a platform leveraging technology for rental property management owners



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Residence kii for Owner

STEP 4

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Asset management concierge service / sale simulation / purchase of a new property

Residence kii for Owner

Investment property purchase and sale platform capable of completing all the operations online



STEP 2
Invest

One-stop service, from online purchasing to land contract and construction to delivery

- Online consultation**

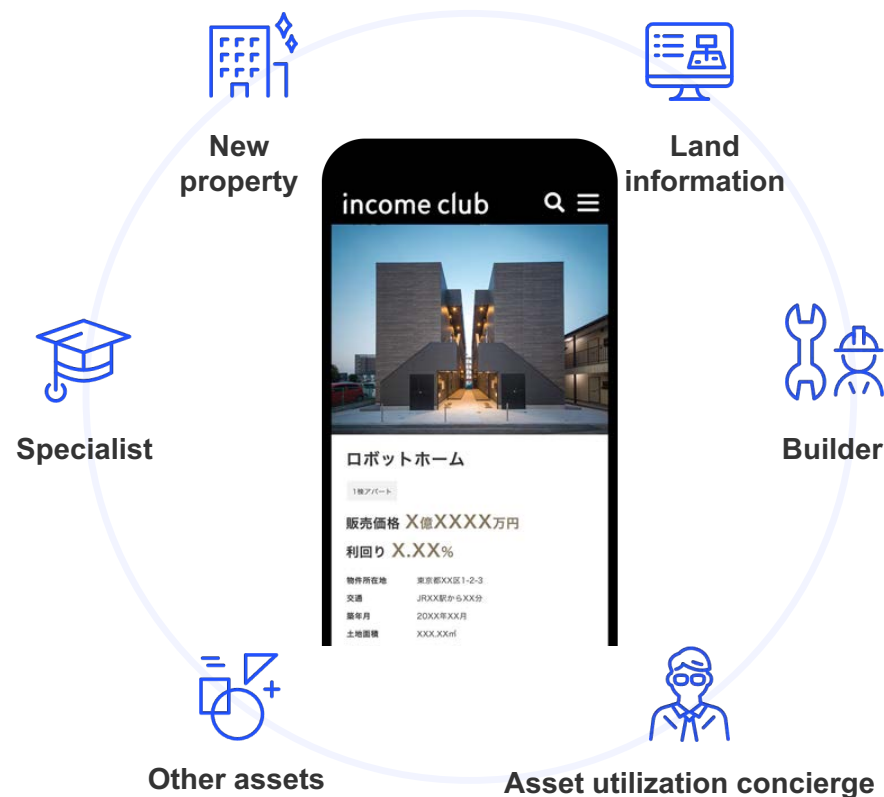
Choosing land → Selecting a property → Income and expenditure simulation by a concierge

- Land selection, contracting and delivery**

Formulating a project plan → Usually information on 50 to 100 plots of land is available → Land contract concluded with Robot Home

- From builder matching to building completion and delivery**

Introduction of affiliated builders (or Robot Home contracts for work) → Conclusion of a contract → View construction progress reports

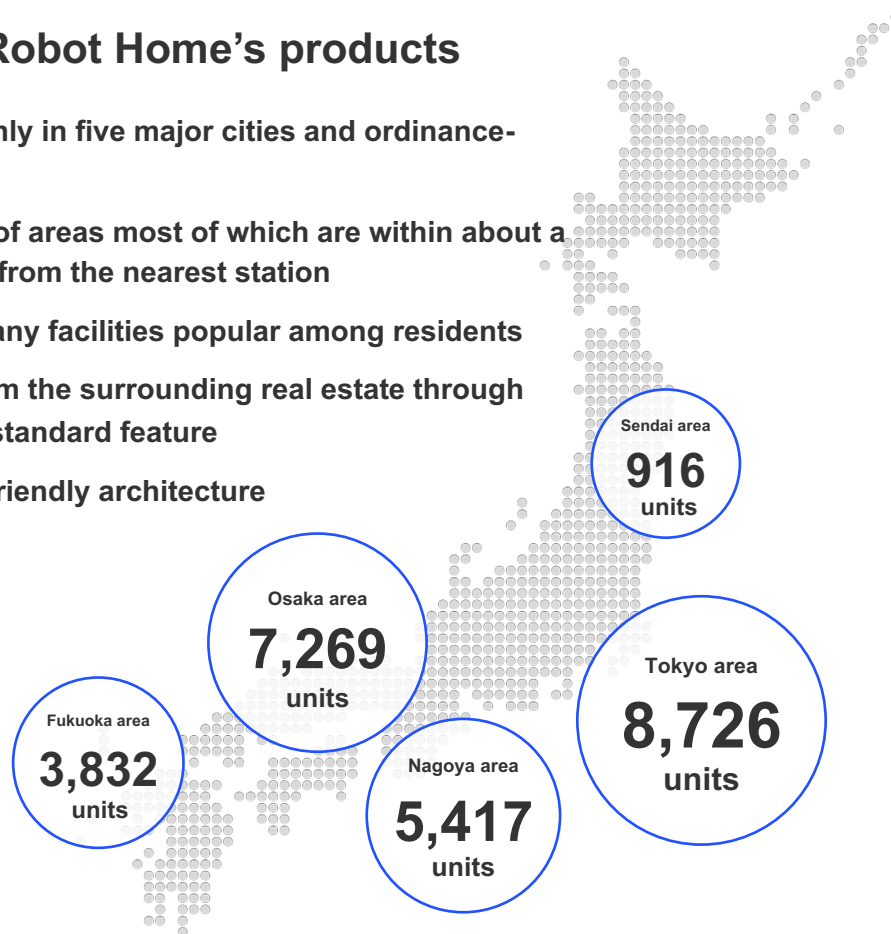




Deployment on a nationwide scale, careful selection of areas in high demand

Strengths of Robot Home's products

- Development mainly in five major cities and ordinance-designated cities
- Careful selection of areas most of which are within about a 5–10 minute walk from the nearest station
- Introduction of many facilities popular among residents
- Differentiation from the surrounding real estate through IoT adopted as a standard feature
- Environmentally friendly architecture



* As of the end of March 2023

Development in carefully selected locations

Convenient and profitable locations are carefully selected with the target of areas within a 5–10 minute walk from the station.



Environmentally friendly architecture

Properties that received the highest five-star rating in the Building-Housing Energy-efficiency Labeling System (BELS) are the Company's standard specifications.




Rental housing differentiated through IoT




Real properties are equipped with, as standard features, various IoT devices that improve residents' convenience. They can be easily operated with a single app.


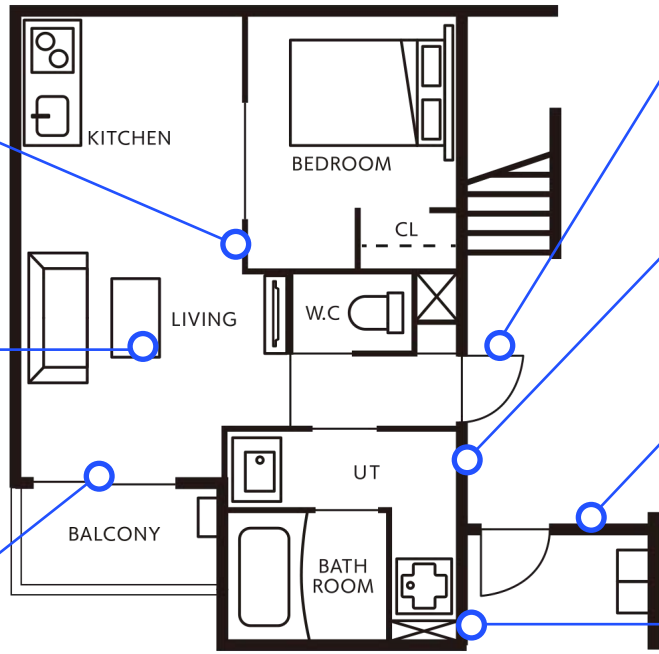
Indoor Monitor
with video and sound recording function confirms visitors




Universal Remote
that integrates your infra-red remotes into one




Opening/closing Sensor
detects & notifies window opening/closing


Smart Key
locks/unlocks the door with ten key operation (entering PIN) and handle operation




Intercom
in individual entrances



Home Entrance
camera intercom at building entrance



Outdoor Camera
checks in real time the area around the garbage collection site




Develop designer real properties that pursue quality



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Residence **kiti** for Owner

STEP 4

Sell / Reinvest



Asset management concierge service / sale simulation / purchase of a new property

Residence **kiti** for Owner

Owners can manage rental housing operations with the app



STEP 3
Manage

Easy management of remittance statements, periodic reports and other things, through distribution using the app.

Thoroughly streamline all operations of rental property management, from move-in through move-out to an advertisement for tenants, using the app



Real property management

Shows the occupancy statuses and logs of real property



Request for an advertisement for tenants

Checking the status and conditions of the advertisement is possible



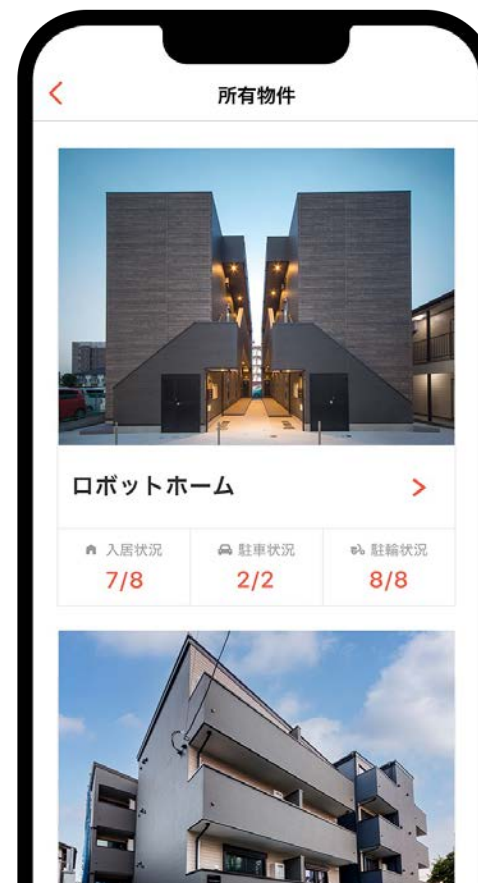
Credit management

Shows monthly rental payment and expenses



Chat

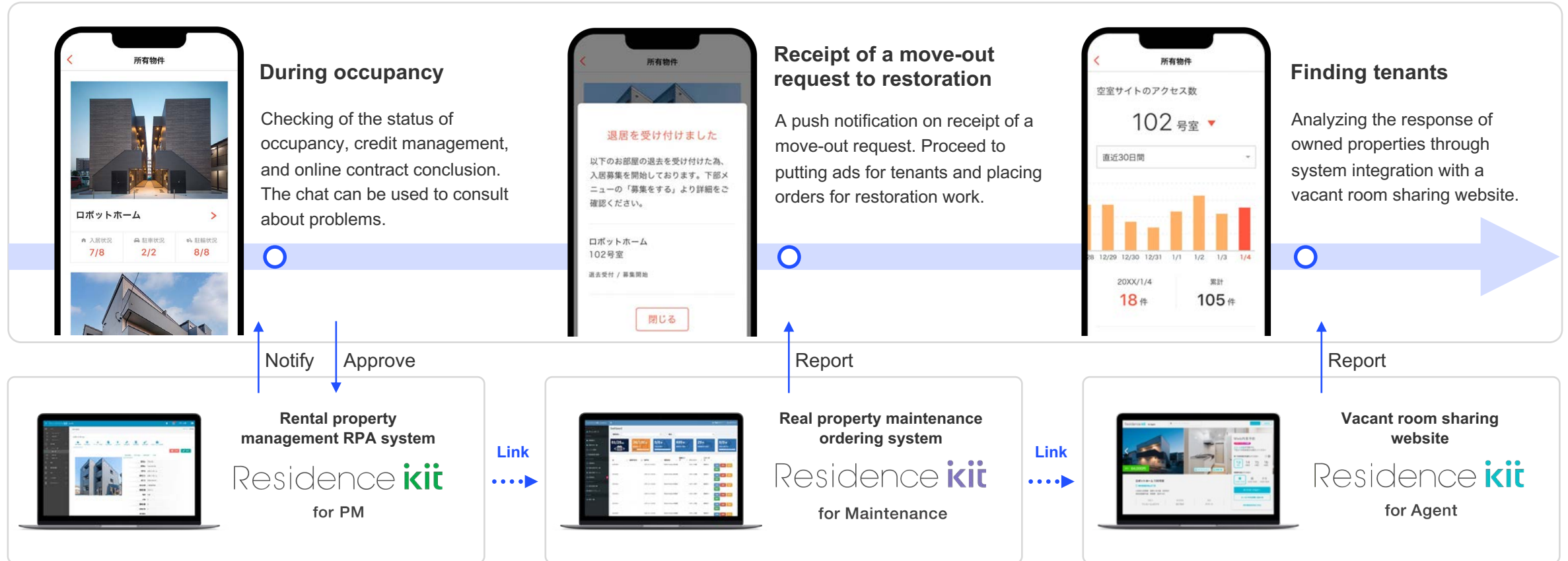
The chat can be used to consult about daily problems



Owners can manage rental housing operations with the app

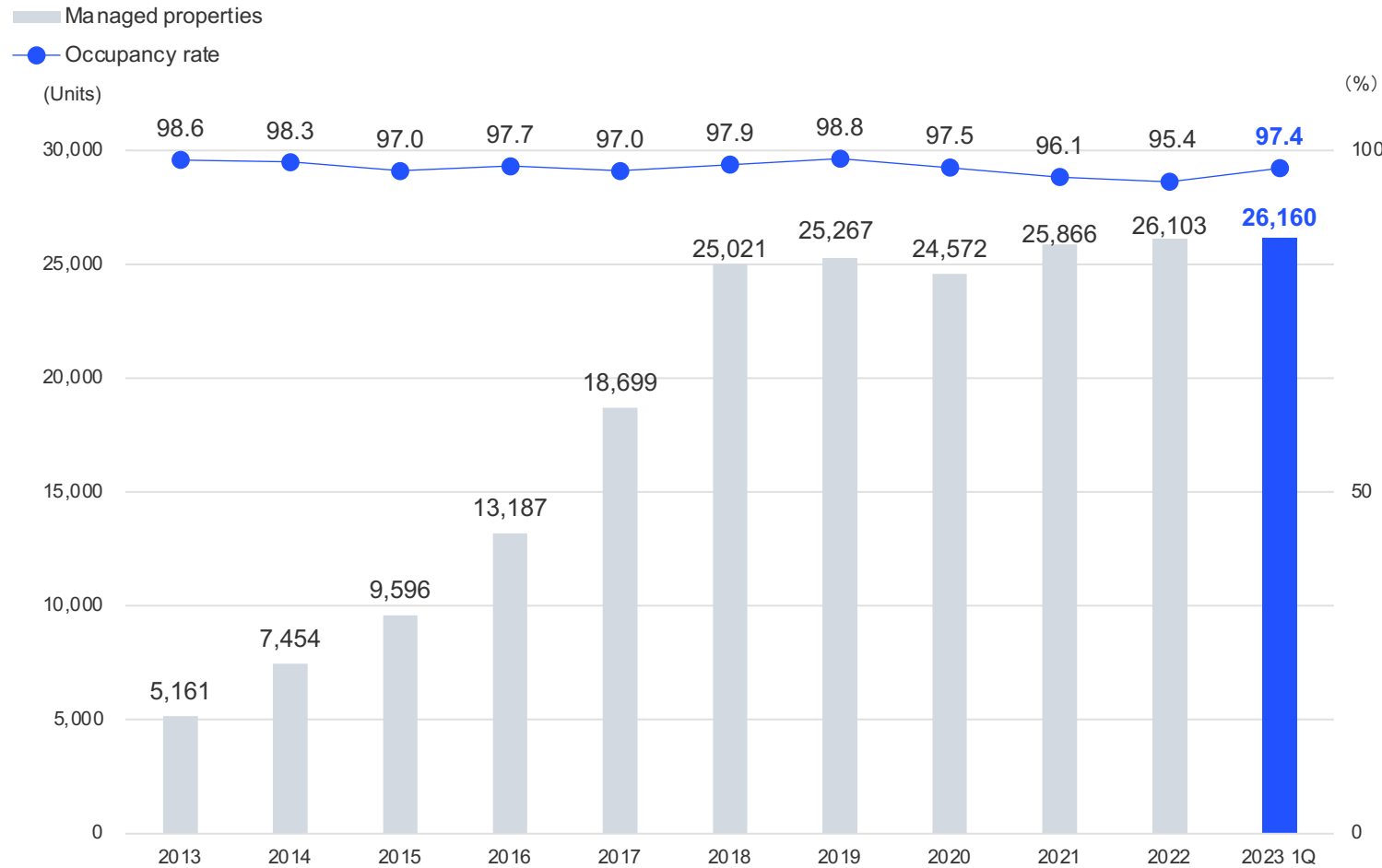


Significantly reduce time from move-out to finding a tenant. Prevent opportunity loss due to vacancy, and maximize the return on investment.



* Image UIs are contained.

Stable recurring income that maintains high occupancy rate



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

Managed properties **26,160 units**

Occupancy rate **97.4 %**

Constructed by Robot Home **97.8%**
Other **94.5%**

(As of the end of March, 2023)

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

Develop a platform leveraging technology for rental property management owners



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Residence kit for Owner

STEP 4

Sell / Reinvest



Asset management concierge service / sale simulation / purchase of a new property

Residence kit for Owner

Support for sale and reinvestment



STEP 4 Sell / Reinvest

Support owners' asset building, and promote distribution within the platform

Consultation using the chat

Prompt appraisal

Sale / Reinvestment



➔ Further expansion of flow and recurring revenue resources

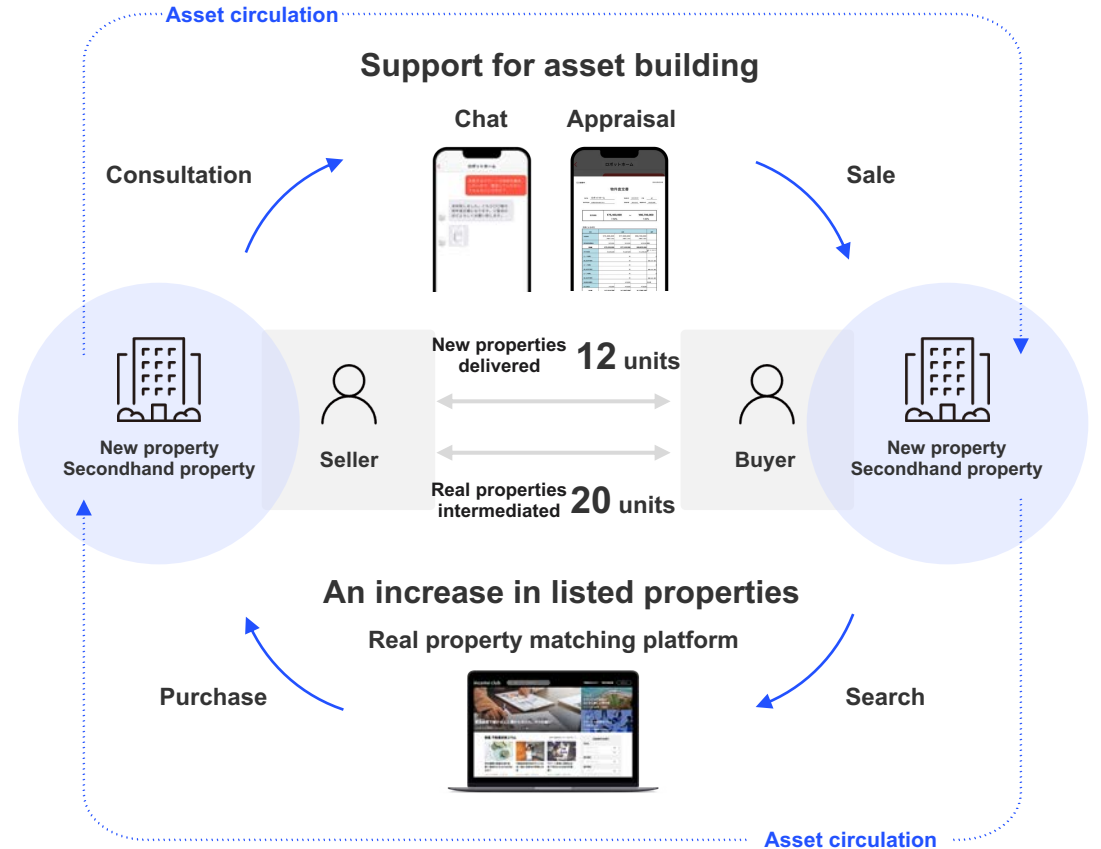
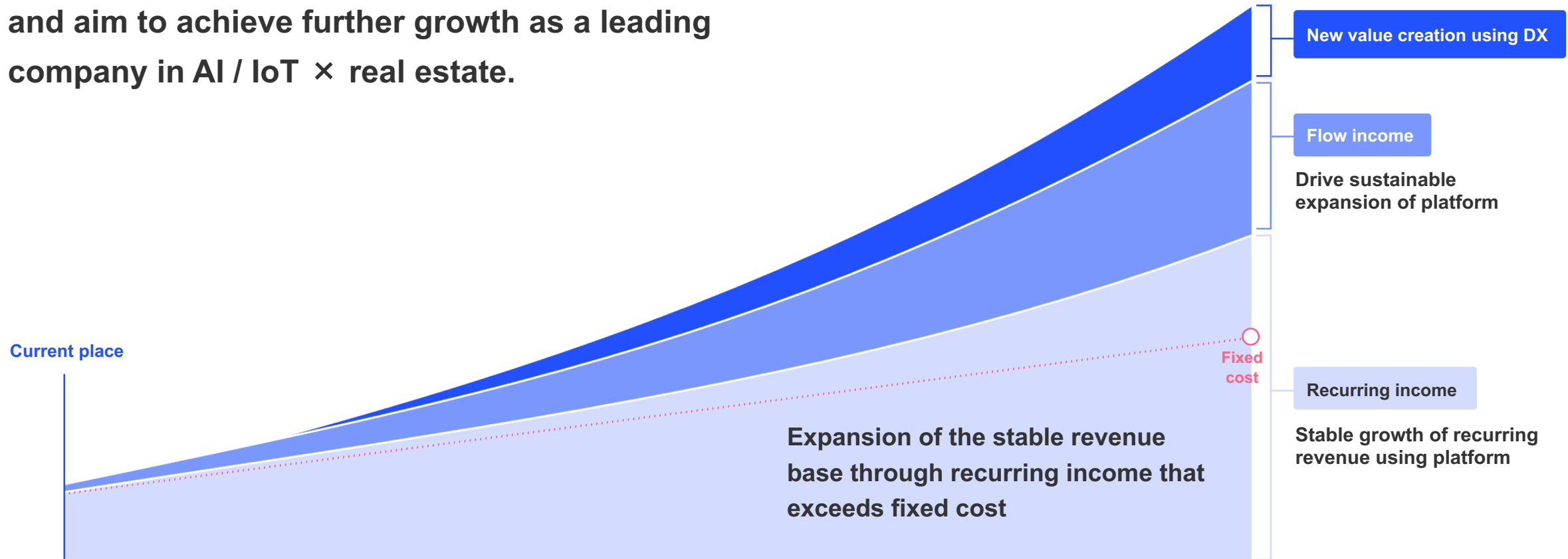


Image of medium- to long-term growth based on a recurring-type revenue structure achieved by technology

We strive to create new value by leveraging platform, and aim to achieve further growth as a leading company in AI / IoT × real estate.



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: 47.0% female employees ratio, 100% parental leave taken by female employees, and 83.1% paid leave taken (as of December 31, 2022). 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.

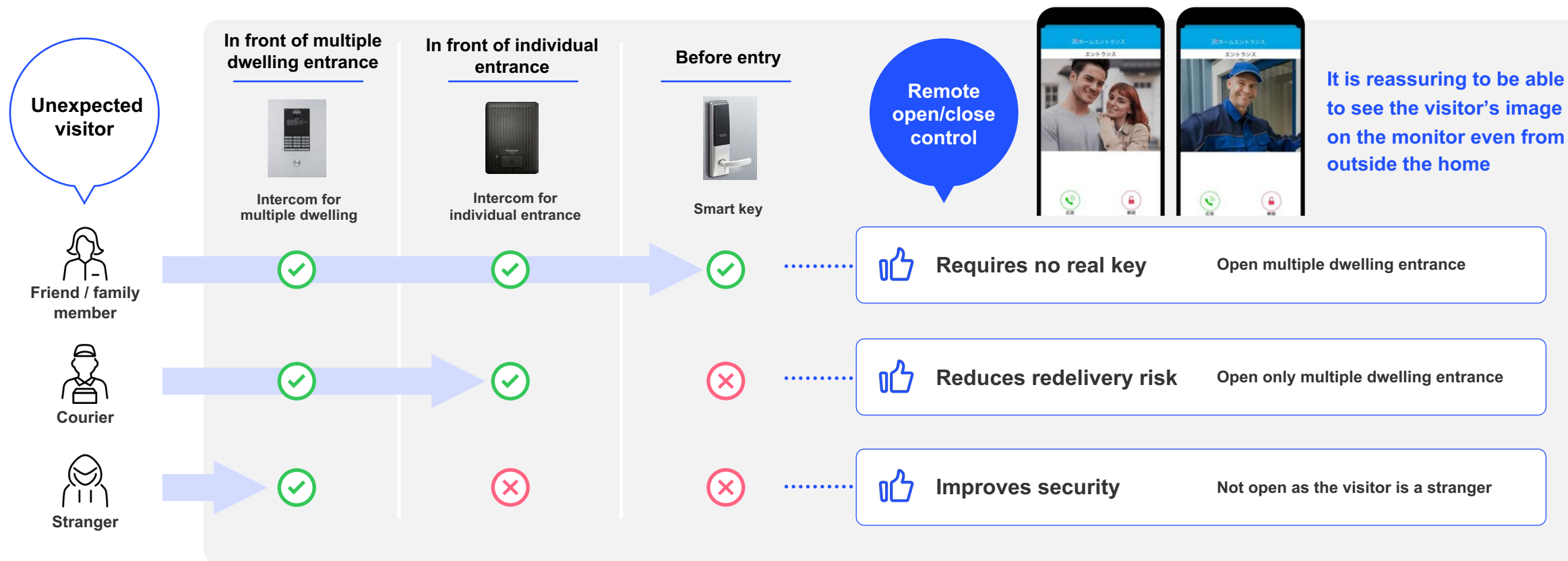


3. Appendix

Providing next-generation DX rental housing

CASE 01 | HOME ENTRANCE

Allows users to confirm a visitor and unlock the door with the smartphone even from outside the home



Providing next-generation DX rental housing

CASE 02 | OPEN / CLOSE SENSOR

Install security measures at windows, a major route of intrusion → Instant notification to the app improves security

Someone is entering the house from the window



Open or close the window

Sensor detects opening or closing of the window



Send notification to the app



Enables an instant response, including notifying the police

Supplemental information

The most common burglars' entry points at apartment houses (third and lower floors) in FY2022 were "front entrances at 47.3%, followed by windows at 40.7%."

* Source: Data published by the Metropolitan Police Department

Providing next-generation DX rental housing

CASE 03 | OUTDOOR CAMERA

Outdoor security camera effective for crime prevention

- **Deterrent effect on criminal acts**

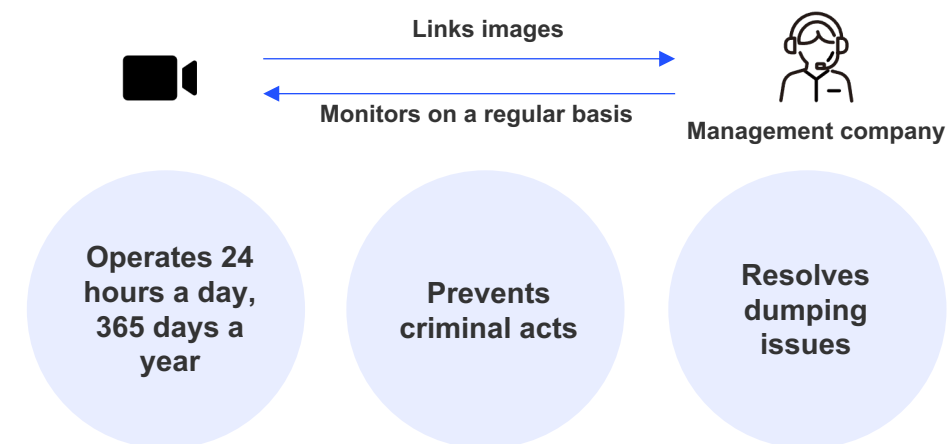
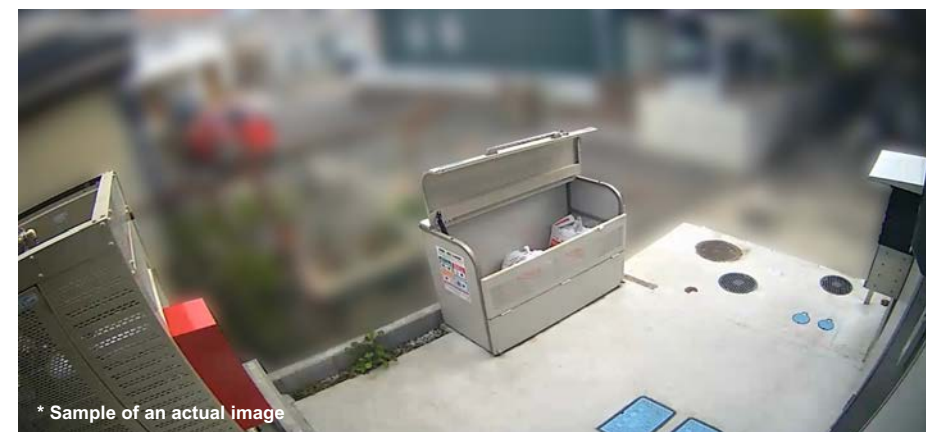
The installation of a security camera scares away potential intruders, which is expected to prevent criminal acts from occurring.

- **Identifying suspicious persons and recording evidence videos**

If a suspicious person or intruder is detected within the premises, recorded images and videos can be submitted to the police as evidence.

- **Monitoring the garbage collection site, which is likely to lead to a complaint**

Action can be taken before issues, such as violation of garbage collection rules and dumping of garbage by non-residents, develop into a claim.



* Whether a security camera is installed or not varies depending on the development timing.

Providing next-generation DX rental housing

CASE 04 | UNIVERSAL REMOTE

Allows users to operate various appliances with a single app



Operation of lights

Not only operations in the room, turning on lights on the way home will prevent the identification of the room, serving as a deterrent to intrusion.



Operation of TV

Users can operate TV while watching the smartphone. In addition to switching channels and adjusting the volume, checking channel guides is also possible.

Enables operations with the app

Integrates nature sensor remotes in the house into one



Operation of a robot cleaner

Enables operation of a robot cleaner equipped with a nature sensor remote, without starting multiple apps.



Operation of an air conditioner

The app enables users to check room temperature and humidity and make the room comfortable before arriving at home.

Providing next-generation DX rental housing

CASE 05 | CHAT

Making inquiries to the management company becomes stress-free



- **Even busy people can make inquiries using the chat**

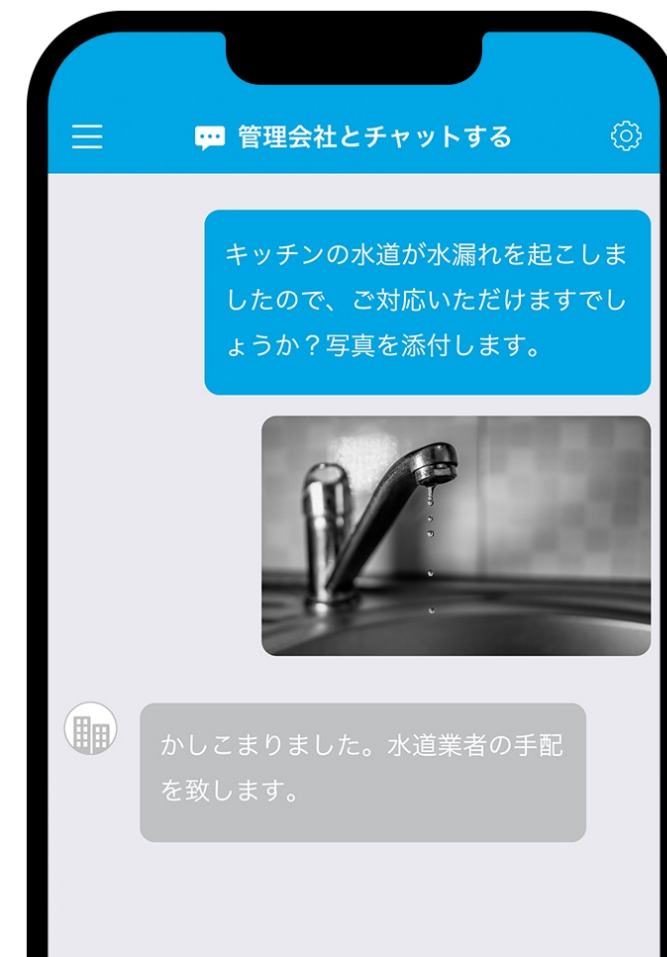
Even those who work in the daytime and cannot make a phone call can use the chat to make inquiries to the management company.

- **Image sharing that better reports the situation**

It also allows image transmission and is more convenient than the phone when reporting the situation.

- **Paperless communication**

The management company can also send messages to residents using the chat instead of conventional printed matter.



Providing next-generation DX rental housing

CASE 06 | BENEFITS TO RESIDENTS

Benefits make daily life more comfortable

As lifestyle contents for residents, we provide services with privileges that make daily life more comfortable.

Lifestyle contents helpful for daily life



Medical consultation with a doctor

A medical consultation service that residents can receive easily using the chat any time.



Delivery type storage service

Residents just pack stuff they want to deposit in a box and send it! An easy storage service starting at 110 yen per month.



Car sharing

Residents can easily and economically use a car at the place and time they want. A sign-up campaign is underway!



Providing next-generation DX rental housing

Toward DX rental housing that is not only convenient but also chosen

In addition to providing new life experiences through DX rental housing, Robot Home has many facilities conducive to finding tenants. We will strive to develop real properties, which allow owners to conduct real property management without anxiety, by offering services that meet universal demand like security and fit a new lifestyle using technology.

Universal demand
for security

Fitness for a new
lifestyle

Possibility of DX
rental housing

Rankings of popular facilities for real properties designed for single persons

Ranking (ranking in the previous survey)	Facility	Robot Home property specifications
1 (1)	Free internet connection	○
2 (3)	Entrance that locks automatically	○
3 (4)	High-speed internet	○
4 (2)	Delivery box	○
5 (5)	Bathroom ventilating and drying device	○
6 (6)	Independent washstand	○
7 (7)	Kitchen system	○
7 (8)	Garbage site available for 24 hours	○
7 (9)	Security camera	○
10 (13)	Bath with a reheat function	○

* Source: *Zenkoku Chintai Jutaku Shinbun* (Nationwide Rental Housing Newspaper) (Oct. 2022)

* Some properties do not have all of the above facilities.

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)



Robot Home

A life with Robot Home can change the world.

List of DX-certified operators (in Japanese)

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

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.