

GA

FY2023.10 2Q

Financial Results

June 12, 2023 (Securities code : 3491)

GA TECHNOLOGIES

Our Ambition

テクノロジー×イノベーションで、
人々に感動を生む
世界のトップ企業を創る。

Building a world leading company
that inspires and impresses people with
the power of technology and innovation.

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Our business model

Our business model

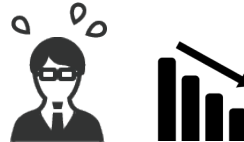
WHY : The issues we are tackling and the value proposition

Solving social issues through a fusion of “Real x Technology”

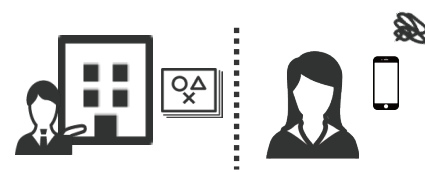
Low productivity due to analog process



Poor user experience



Information asymmetry



Solving the challenges of each industry/sector with DX for delivering a transparent and smooth CX

RENOSY



ITANDI BB
ITANDI BB+



OHEYA GO
オヘヤゴ



Mtech

Our business model

WHAT: Our problem-solving initiatives

Providing end-to-end services online

Investment



Asset management/
Property management



Loans/Registration



Contracts



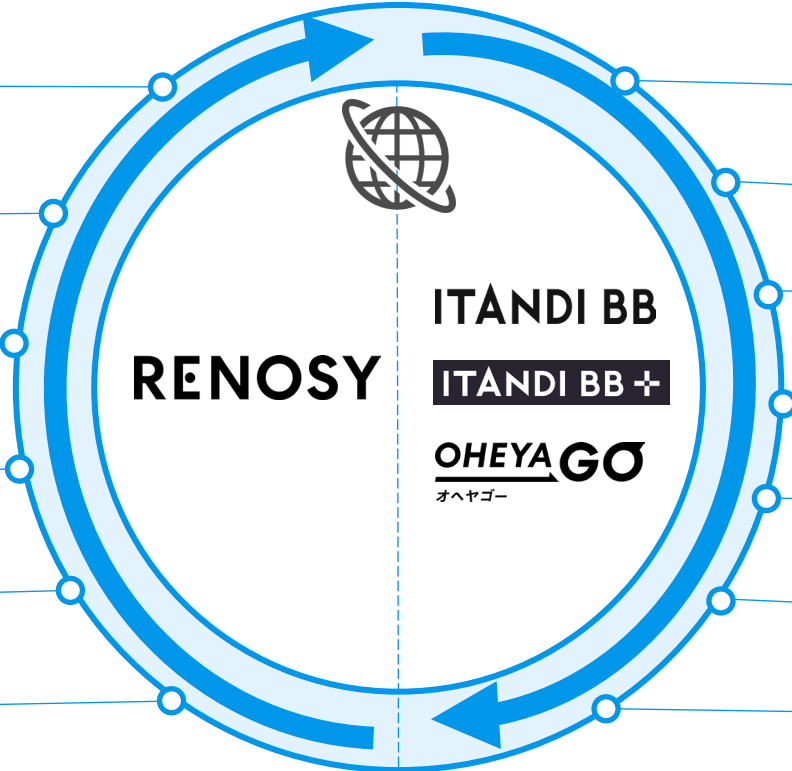
Interviews/Negotiation



Appointment of interview



Inquiries



Management / Lease

Inquiry · Visit office



Check property



Room-viewing request online



Online tenant applications



Digital contract



Online renewals /Check out



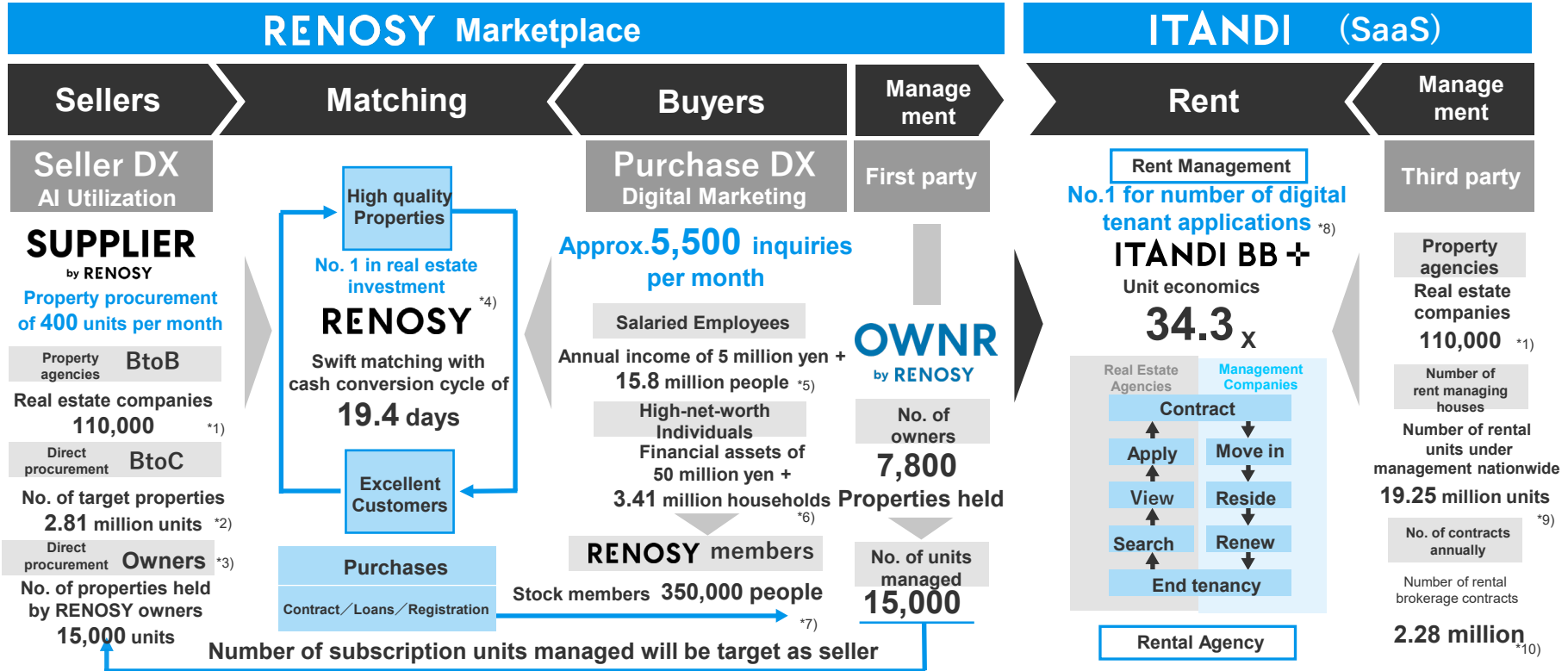
Online construction management



Our business model

HOW: Our business model – Overview of operation

Using technology for the streamlined operation of sequential processes in a unique business model



Our business model

Business overview

Segment	Business Activities	Product		
RENOSY Market- place	Online Transactions	RENOSY		
	Subscriptions		<ul style="list-style-type: none"> ▶ Online real estate investment service <ul style="list-style-type: none"> • Utilizing RENOSY media to acquire real estate investment customers who are sellers (sales) and buyers (purchases), matching both, and utilizing technology to provide sales service ▶ Property management (asset management) <ul style="list-style-type: none"> • Offering multiple plans with subscriptions for a service that protects asset value 	
	Third party services		<ul style="list-style-type: none"> ▶ Third-party use of RENOSY <ul style="list-style-type: none"> • Making RENOSY media available for use by third-party companies and providing them with media use and a service for customer introductions 	dearlife by RENOSY
ITANDI	SaaS	ITANDI BB+		
	B2B Marketplace		<ul style="list-style-type: none"> ▶ Vertical SaaS for real estate companies <ul style="list-style-type: none"> • Offering a streamlined system to real estate companies (mainly rental management companies and real estate agencies) through monthly and pay-as-you-go fees ▶ Inter-agency website for real estate companies <ul style="list-style-type: none"> • Provided as an inter-agency website as a B2B marketplace 	ITANDI BB <small>イタンディ ビービー</small>
	B2C Marketplace		<ul style="list-style-type: none"> ▶ Online real estate rental service <ul style="list-style-type: none"> • Offering a rental website as a B2C marketplace with a revenue model based on commissions for each contract, etc. 	OHEYA GO <small>オヘヤゴー</small>

FY2023.10 2Q Business highlights

FY2023.10 2Q Business highlights

Consolidated financial results summary

- Sales revenue was 63.4 billion, **in line with projections**, backed by strong performance growth in both businesses
- Owing to successful profit structure reforms, business profit (*1) **exceeded projections** at 910 million, with a progress rate of 57% and a YoY increase of 277%

RENOSY financial results summary

- Sales progressed **as projected, driven by** steady acquisition of RENOSY members, etc.
- Gross profit **escalated beyond the plan**, achieving a gross profit margin of 14%. This signifies an upswing of 44% YoY, reaching 8.7 billion, thanks to effective improvement strategies

ITANDI financial results summary

- Sales **highly outperformed the plan** due to continued robust business inquiries and the network effect
- Gross profit increased to 1.3 billion yen, a YoY increase of 73%, and segment income **surged by 176% YoY**, landing at 440 million

FY2023.10 Profit structure reform

Continue investments that lead to sales growth,
while thoroughly controlling costs and generating further profits

Control on personnel cost

Reduce personnel costs by about 100 from the initial estimate of 250 to a net increase of 100 to 150, by streamlining through transfers and DX

Consolidation of corporate functions

Reduce operational costs by relocating group companies and consolidating back-office and other corporate functions

Thoroughly select and focus on business

Review business strategies, **withdraw from unprofitable businesses**, and further concentrate resources on RENOSY and ITANDI

Increase profits
from 2Q
onward,
when the
effects of the
measures are
supposed to be
realized

Aim for record-high profit

Record-high profit
1.88 billion yen ^{*1)}

Initial
forecast
1.6 billion

FY2023.10
Business
profit

*1) FY2020.10 Operating profit based on JGAAP basis

FY2023.10 Profit structure reform

Since the downward revision in FY2021.10, we have implemented profit structure reforms and will be committed to vigorously driving profit generation in the next fiscal year and beyond.

FY2022.10

◆ Measures to improve commission rates

- Expansion of product lineup
- Strengthening of DX (direct procurement)

Profit of approximately

+1 billion yen
compared to initial
projections

FY2023.10

◆ Measures to generate further profits

- Personnel cost control
- Consolidation of corporate functions
- Thorough selection and concentration of businesses

Aiming for record profits of
approximately **1.9 billion**

Next fiscal year and beyond

◆ Continuation of profit structure reform

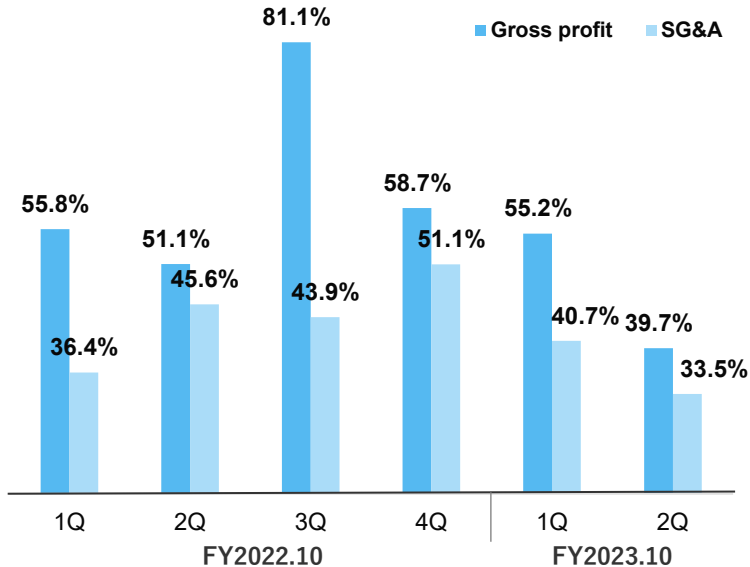
- Continue to select and concentrate on businesses
- Continue thorough cost control
- Aim for further increase in sales and profit

Sales growth and
pursuing profit creation

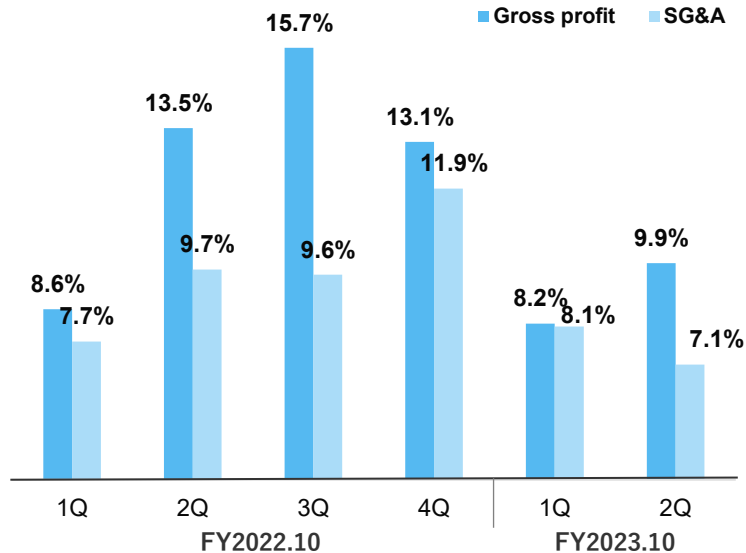
FY2023.10 Profit structure reform

While steadily increasing gross profit, both YoY and QoQ growth rates of SG&A expenses remained below the growth rate of gross profit due to profit structure reforms

YoY increase in gross profit and SG&A (%)



QoQ increase in gross profit (LTM) and SG&A (LTM) (%)



FY2023.10 2Q Results

FY2023.10 2Q Results

FY2023.10 2Q Highlights of financial results

Business profit exceeded the projections due to strong performance growth in both RENOSY and ITANDI businesses and profit structure reforms

	Revenue	Gross Profit	Business Profit (Segment profit)	Topics
Consolidated	YoY +30% 63.4 billion (YoY+14.5billion)	YoY +45% 10.0 billion (YoY+3.1billion)	YoY +277% 0.9 billion (YoY+0.6billion)	<u>Sales exceeded 60 billion and gross profit reached the 10 billion mark. Business profits increased by 277% YoY to approximately 0.9 billion due to profit structure reforms</u>
RENOSY Marketplace	YoY +29% 61.7 billion (YoY+13.9billion)	YoY +44% 8.7 billion (YoY +2.6billion)	YoY +48% 2.8 billion (YoY+0.9billion)	<u>Profit was strong at +44% YoY, and gross profit amount expanded. Segment profit increased by 48%, 1.5 times YoY</u>
ITANDI	YoY +72% 1.5 billion (YoY+0.6billion)	YoY +73% 1.3 billion (YoY+0.5billion)	YoY +176% 0.4 billion (YoY+0.2billion)	<u>Sales, profit, and income all grew strongly YoY due to an increase in recurring income during the busy leasing season in the first half of the fiscal year</u>

FY2023.10 2Q Results

FY2023.10 2Q Consolidated financial results

RENOSY Marketplace and ITANDI both achieved high growth rates in YoY, and business profit grew significantly

(million yen)		FY2022.10.2Q (IFRS)	FY2023.10.2Q Actual (IFRS)	YoY changes ⁻¹⁾
Consolidated	Revenue	48,901	63,411	+30%
	Gross Profit	6,905	10,028	+45%
	Business Profit	241	910	+277%
	Profit attributable to owners of parent	△61	377	—
RENOSY Marketplace	Revenue	47,782	61,736	+29%
	Gross Profit	6,045	8,703	+44%
	Segment Profit	1,897	2,816	+48%
ITANDI	Revenue	912	1,569	+72%
	Gross Profit	768	1,331	+73%
	Segment Profit	161	445	+176%
Adjusted items	Corporate expenses	△1,579	△2,181	—
	Others ^{*2)}	△128	△52	—

*1) Calculated based on the figures on the table FY2023.10 2Q Actual ÷ FY2022.10 2Q Actual -1

*2) Other includes; Elimination of inter-segment transactions Amortization of intangible assets identified as a result of corporate consolidation and acquisition-related costs

FY2023.10 2Q Consolidated financial results trends

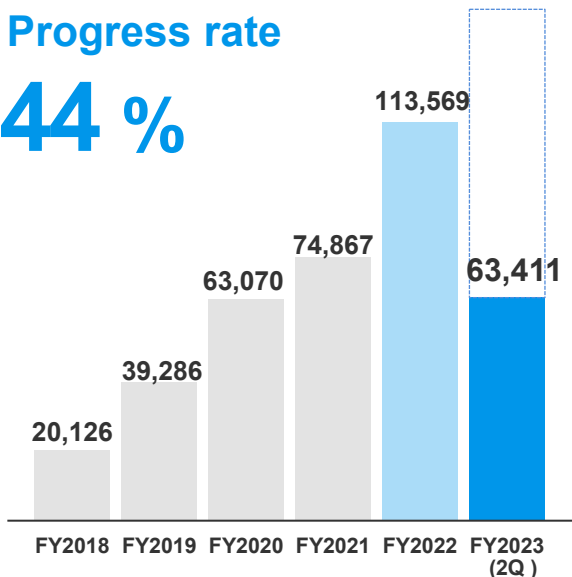
Sales progressed as projected, and both profit and business profit exceeded projections



(million yen)

Earnings forecast
145,500

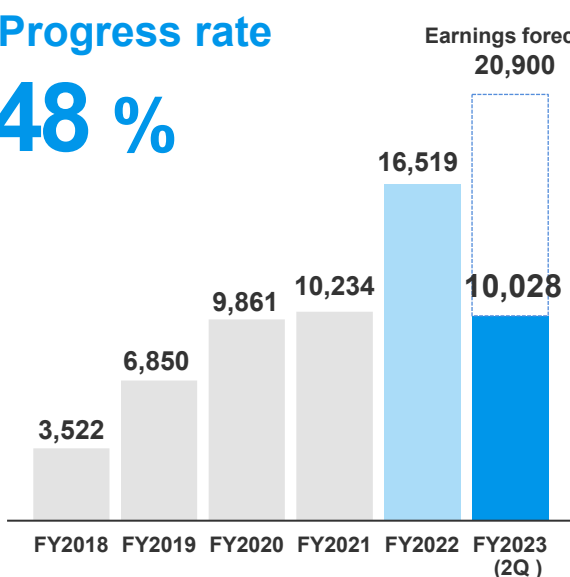
Progress rate
44 %



(million yen)

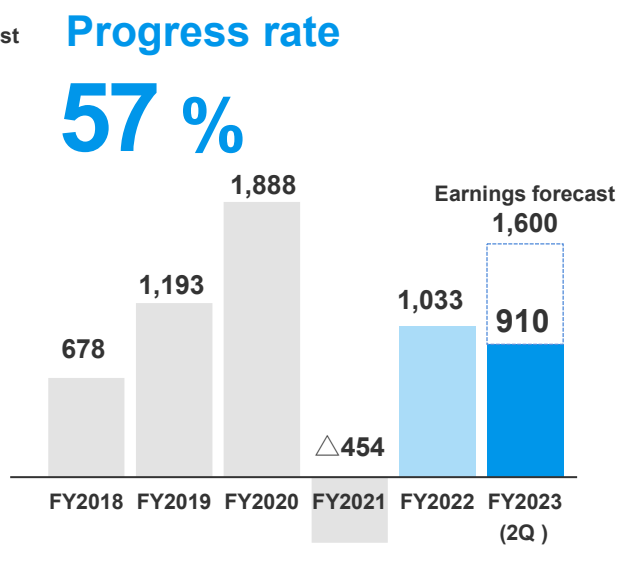
Earnings forecast
20,900

Progress rate
48 %



(million yen)

Progress rate
57 %



*1) Produced in consolidated financial statement since FY 2019.10 *2) Figures FY2018.10 to FY2020.10 are based on operating profit

FY2023.10 2Q Results

Financial result by Quarter trend (IFRS)

Revenues up +25% YoY, gross profit up +40% YoY, and business profit reached a new quarterly record high

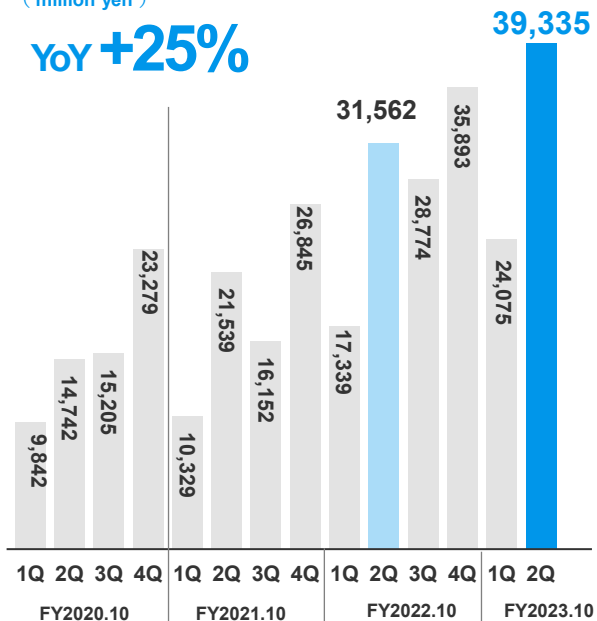
Revenue

JGAAP(reference)

IFRS

(million yen)

YoY +25%



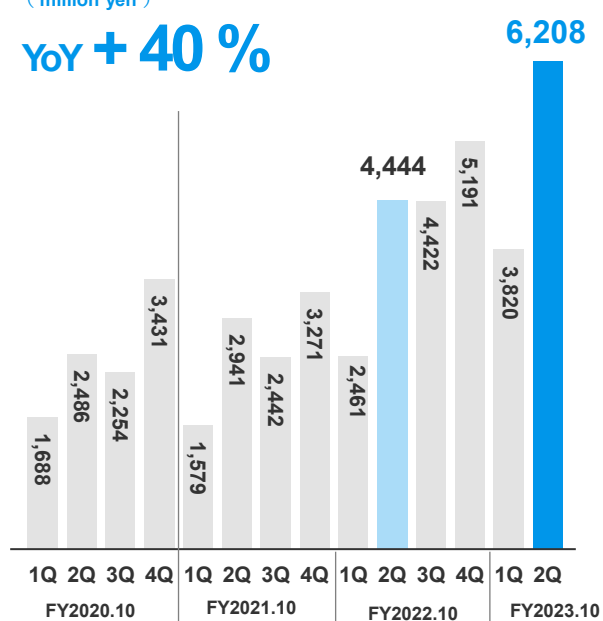
Gross Profit

JGAAP(reference)

IFRS

(million yen)

YoY +40%



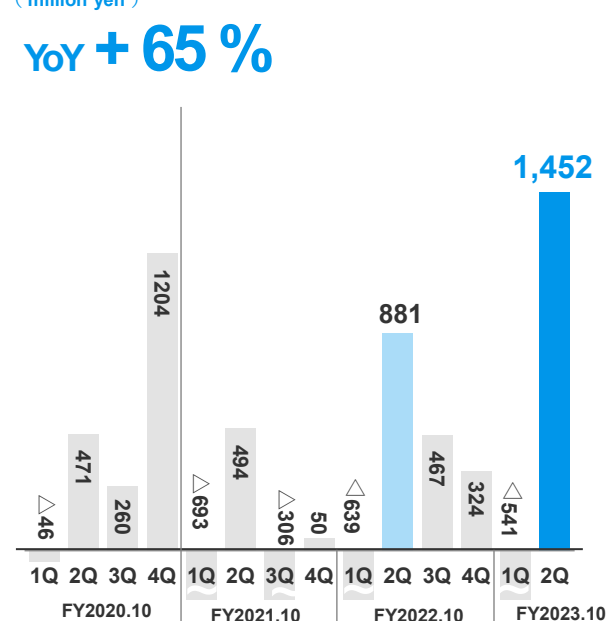
Business Profit ^{*)}

JGAAP(reference)

IFRS

(million yen)

YoY +65%



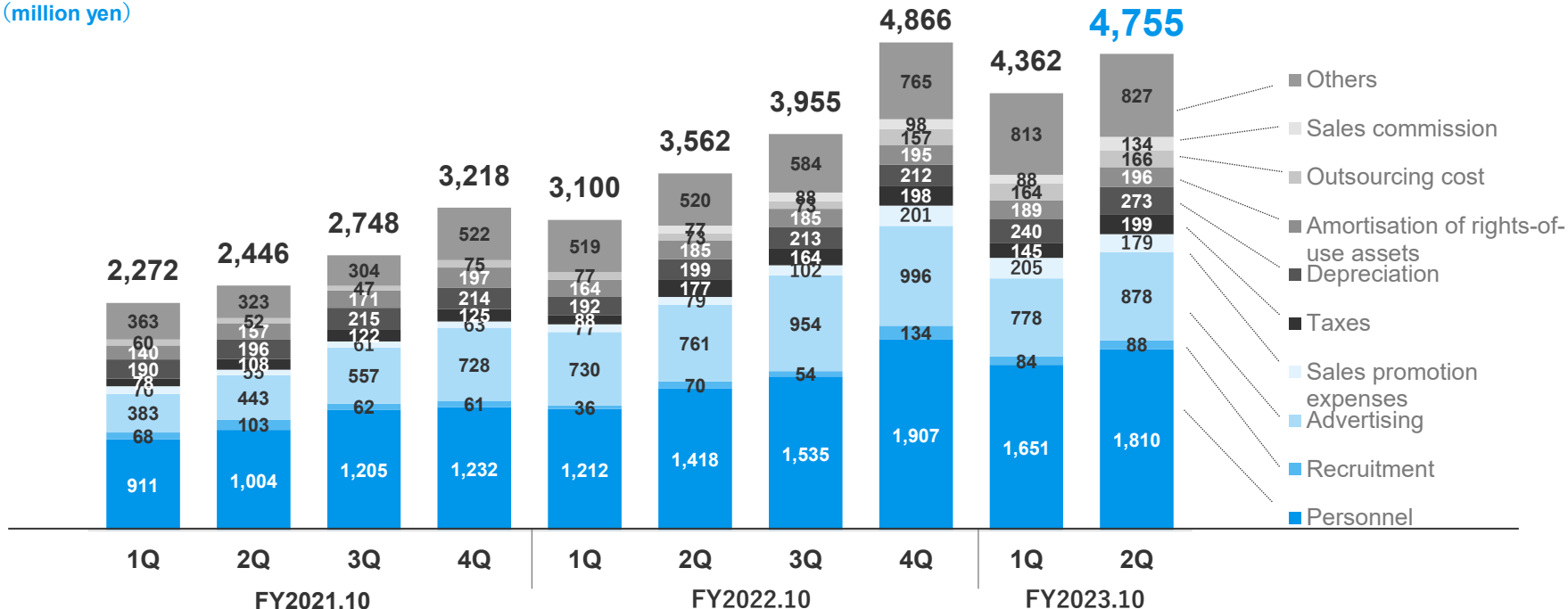
*) Numbers in FY2020.10 are based on operating profit

SG&A Trends

Increased advertising expenses with the expansion of business,
and personnel expenses due to an increase in the number of new graduates etc.

SG&A Trends

(million yen)



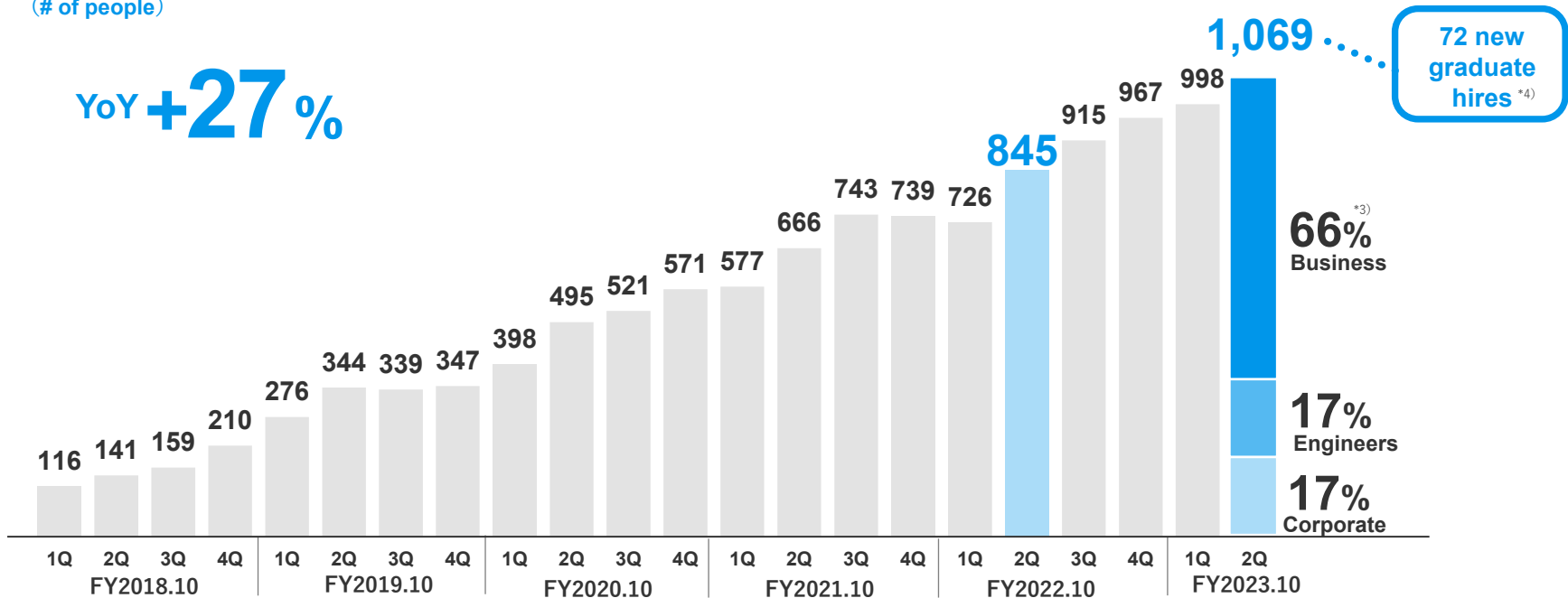
Employees trends

Aggressive implementation of highly effective referral hiring to reduce hiring costs and control costs

Number of Employees ^{*1,2)}

(# of people)

YoY **+27%**



*1) Board members, contracted workers, internships, part time workers are excluded (as of April 30 2023)

*2) Based on consolidated number of employees after FY2019.10

*3) The numbers are being rounded up so it may not add up to 100%

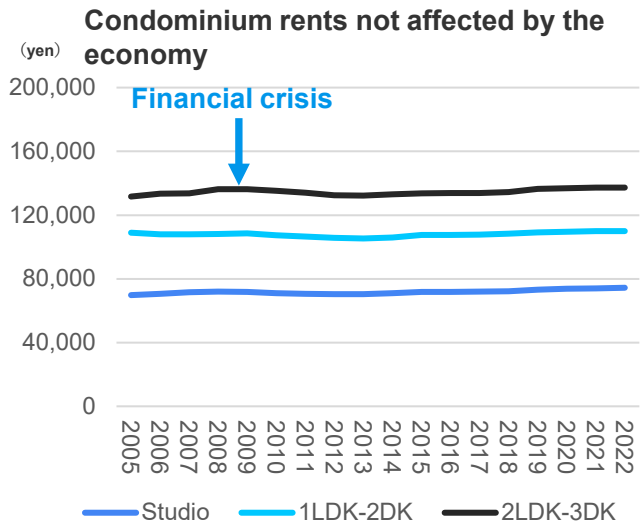
*4) Total number of new graduate hires as of FY2023 is 72, including the 9 employees who were hired on 2022.11

RENOSY Marketplace results

Real Estate Market Trends

Condominium rents are not easily affected by business conditions, as seen in the past, **and our business is progressing as projected** despite changes in the external environment such as the weak yen and rising prices

Trend of Condo rents in Tokyo ^{*1)}



Other key indexes trend

Stock prices, office rents, and REITs are greatly affected by the economic environment

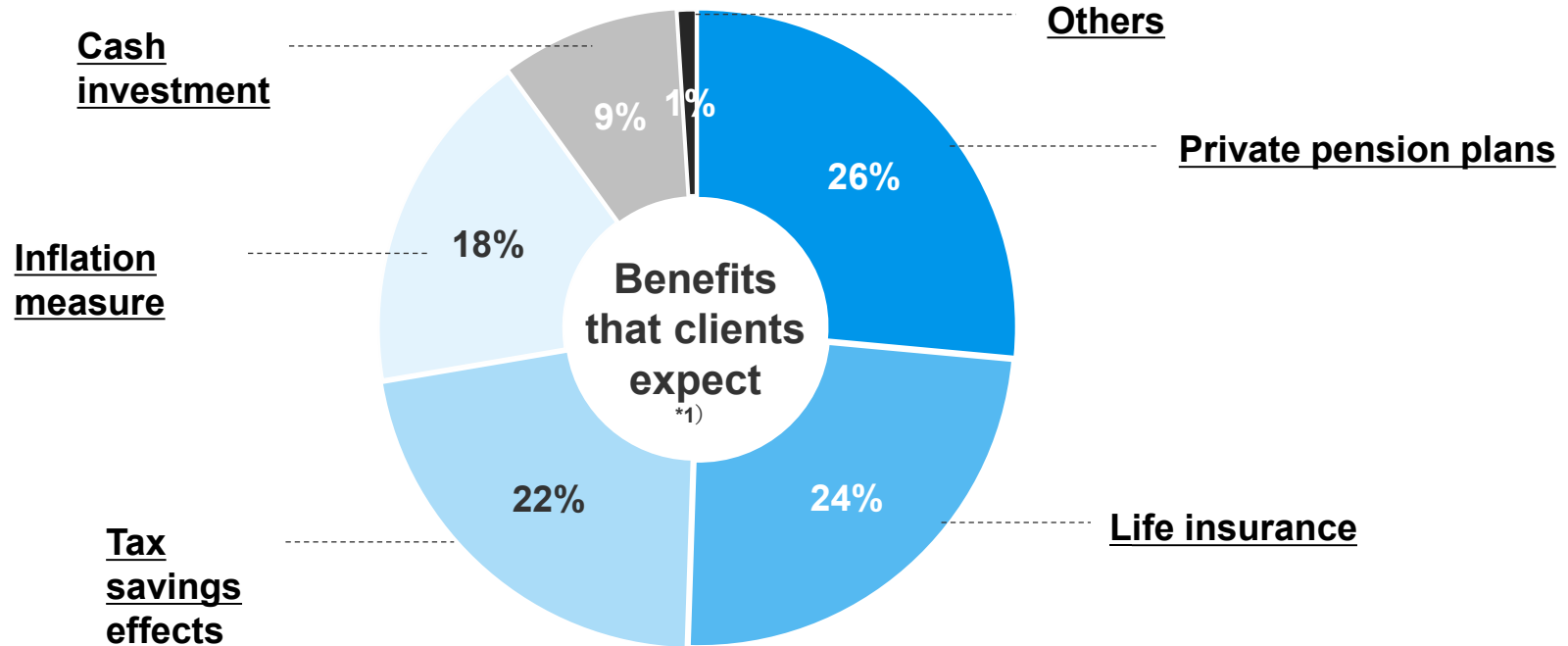


*1) Presentation material of The Real Estate Transaction Promotion Center *2) Presentation material of Japan Real Estate Institute *3) Index with 2010 as 100 *4) Data from Bloomberg

FY2023.10 2Q RENOSY Marketplace results

Benefits to expect from real estate investment

Benefits that clients expect from real estate investments include pension plans, insurance alternatives, and tax reduction, which are less susceptible to business conditions and **more positive in an inflationary environment**



*1) [Target of survey] RENOSY owners who purchased property before January 2023. [Survey period] May 16, 2023 to May 29, 2023. [Valid responses] 710 (*excluding duplicate responses)

FY2023.10 2Q RENOSY Marketplace results

Revenue trends (Quarterly)

Revenues for the quarter were +24% YoY, reaching record quarterly revenues

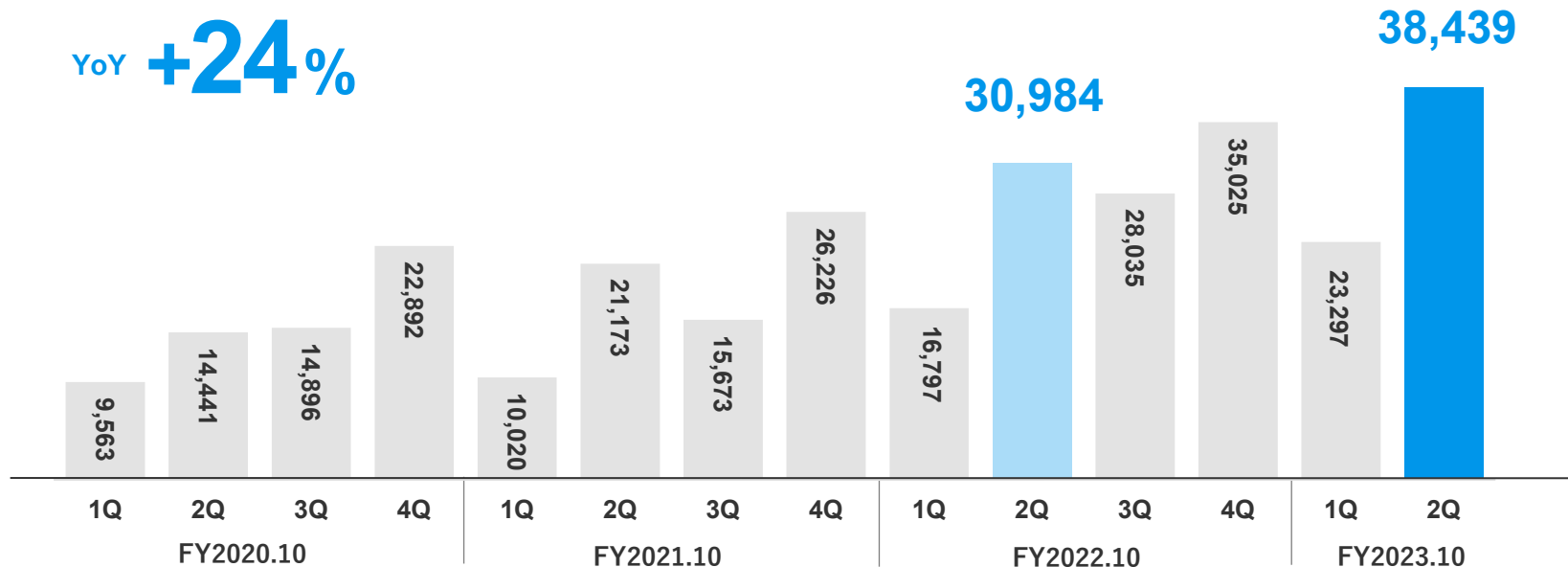
Quarterly Revenue Trends

JGAAP (reference)

IFRS

(million yen)

YoY **+24%**



Gross profit trends (Quarterly)

Gross profit will be maximized by promoting sales DX, expanding product lineup, and other measures

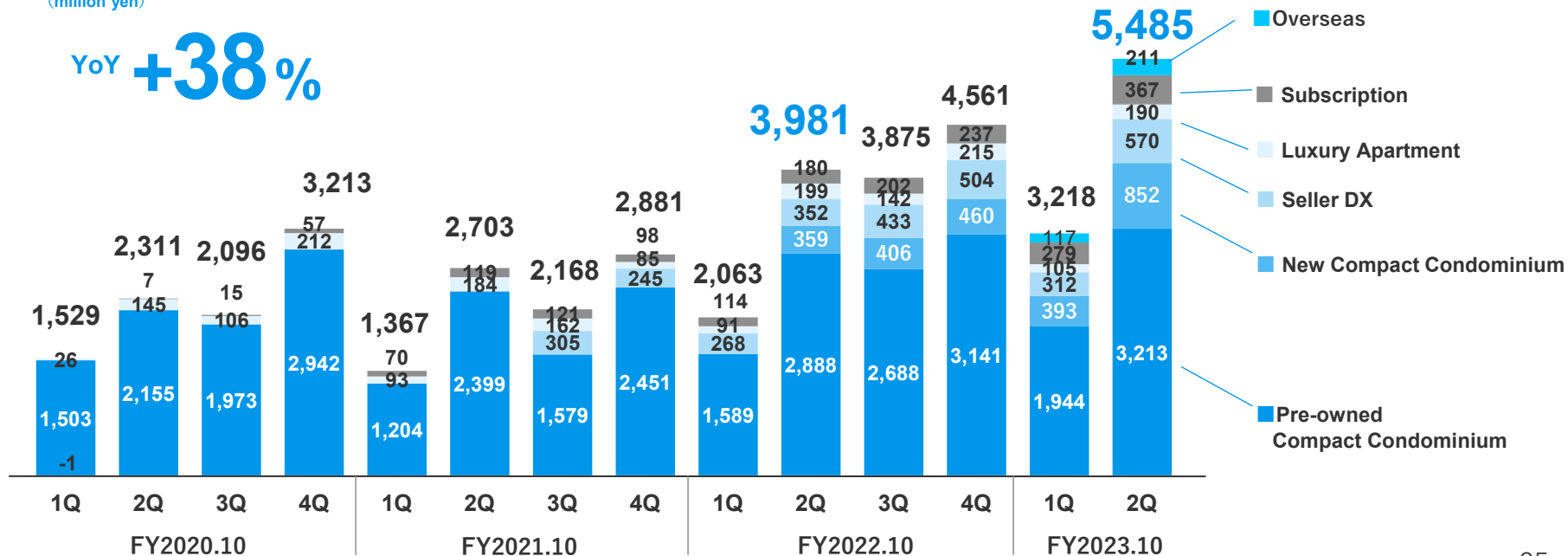
Quarterly gross profit trend

JGAAP (reference)

IFRS

(million yen)

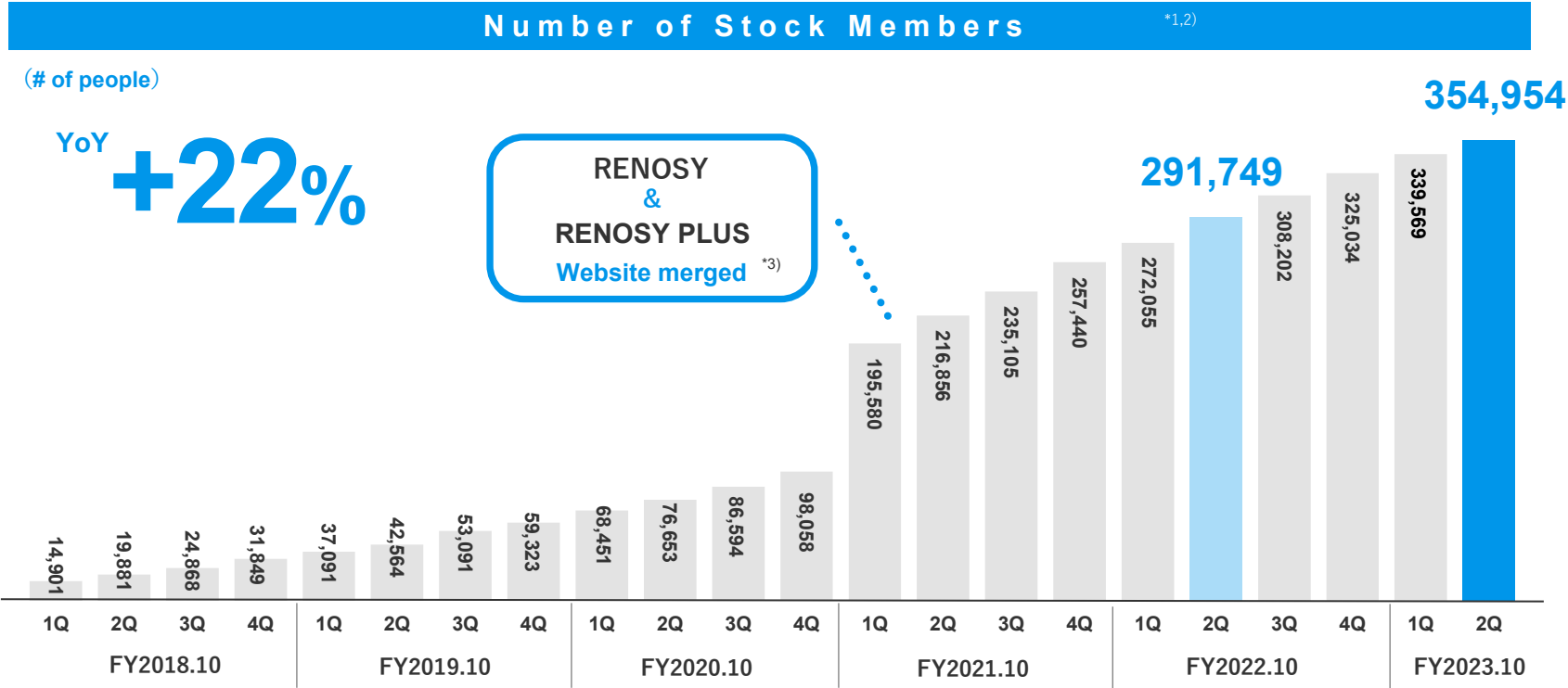
YoY **+38%**



FY2023.10 2Q RENOSY Marketplace results

RENOSY member stock trends

Efficient use of digital marketing etc. to attract customers brings the number of members to over 350,000



*1 The number of RENOSY member stocks refers to the cumulative number of people who have registered as members

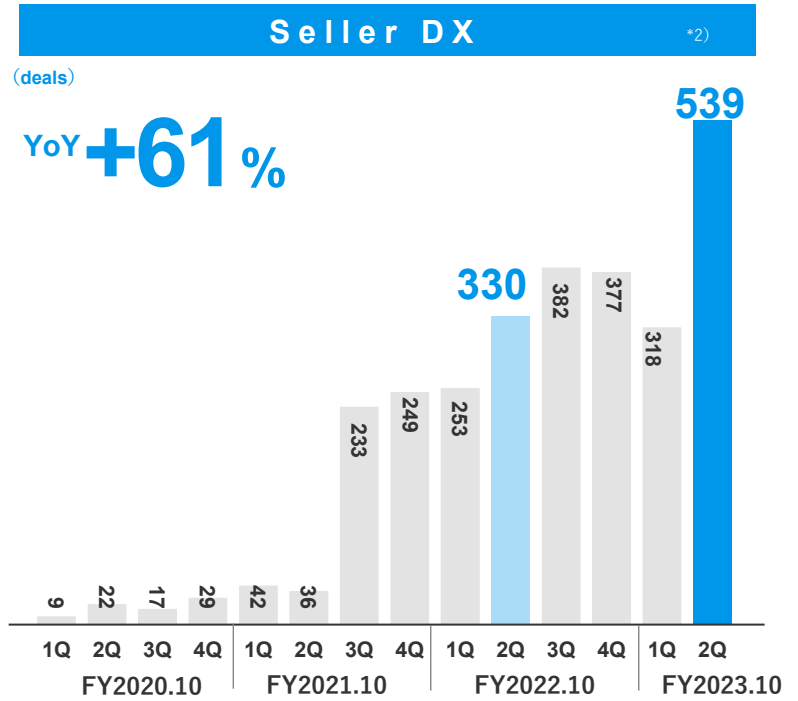
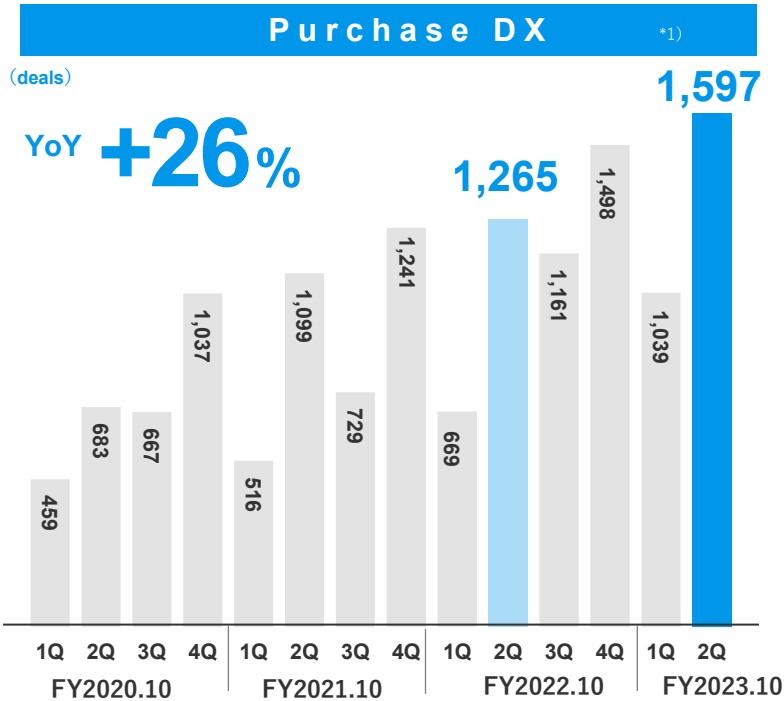
*2 The number of RENOSY member stocks after FY2021.10 1Q in the graph differs from the number of members announced before FY2022.10 1Q due to a change in the definition of aggregation from FY2022.10 2Q

*3 Company name changed from 'Modern Standard Inc.' on April 1 2022

FY2023.10 2Q RENOSY Marketplace results

Number of contract trends for Purchase DX, Seller DX

Steady increase in purchase DX and strengthening of sales DX contributed to YoY +61% increase in contracts signed and improved gross profit.



*1) Total number of contracts for investment and home within RENOSY Marketplace through Purchase DX. Figures do not include those of pre-merger companies

*2) Total number of contracts for investment and home within RENOSY Marketplace through Seller DX. Figures do not include those of pre-merger companies

Number of subscriptions trends

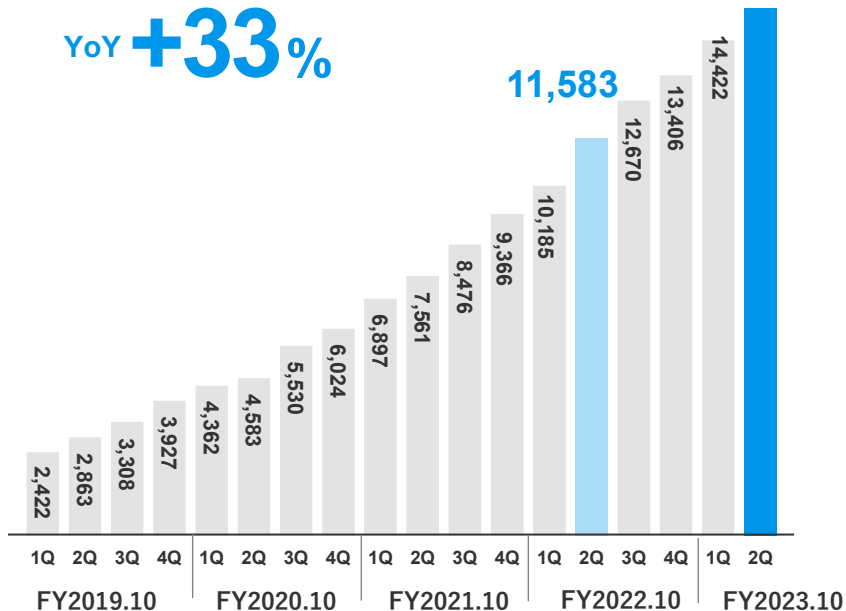
Strong growth both in number of subscription contracts with +33% YoY and growth in number of owners with +31% YoY

Number of Subscriptions ^{*1)}

(# of properties)

YoY **+33%**

15,378

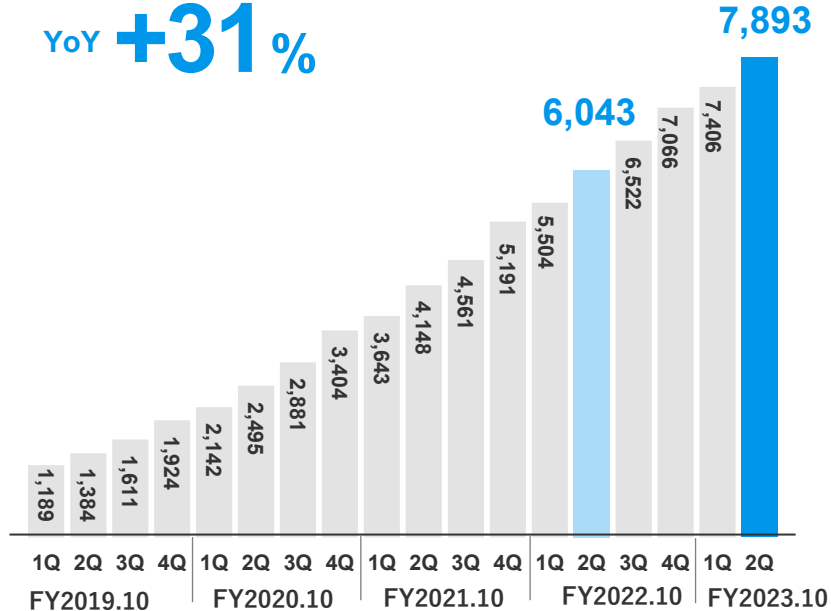


Number of Owners

(# of people)

YoY **+31%**

7,893

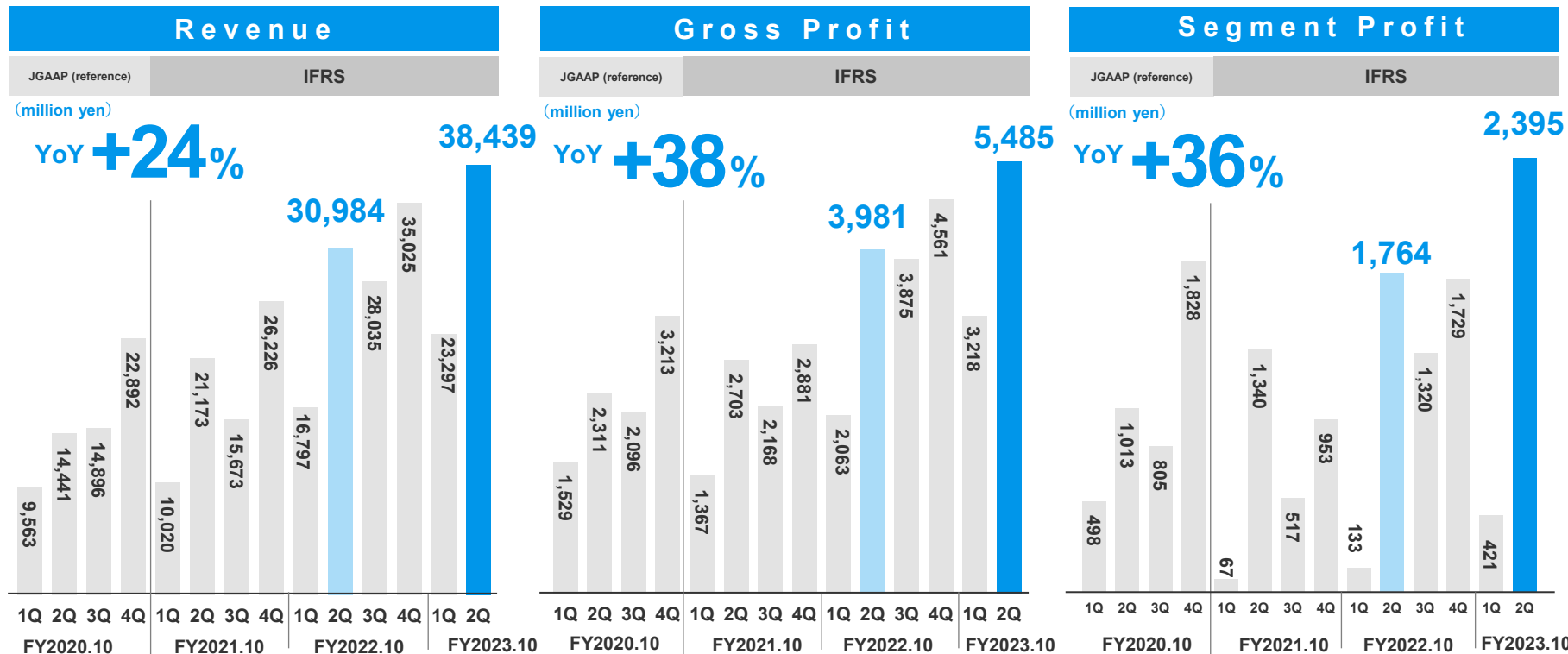


*1) . The number was collected based on the number of deals made before FY2020.10 1Q and changed the standard for collection to number of listings managed after that.

FY2023.10 2Q RENOSY Marketplace results

Quarterly trends (IFRS)

Revenues, gross profit, and segment income all grew significantly, exceeding those of the same period last year



ITANDI results

Key KPI highlights

**ARR growth and number of clients increased, due to network effects of vertical SaaS.
Unit economics also kept high at 34.3x**

YoY ARR Growth Rate ^{*1)}

YoY +55%

2.83 billion

(YoY+1.01billion)

Number of customers ^{*3)}

YoY appx.+ 57%

2,320 companies

(YoY+840companies)

Churn rate ^{*2)}

0.42%

(YoY 0.55%)

Unit Economics ^{*4)}

34.3 times

(YoY 34.9 times)

*1) 1. Annual Recurring Revenue is calculated based on the MRR of each quarterly month (by the end of each month) times 12. MRR includes monthly usage fee, pay-as-you-go fee, profit from additional businesses. It is calculated based on the ARR comparison between the numbers from April 2022 and April 2023 of ITANDI BB+.

*2) Average monthly churn rate of ITANDI BB+ for the last 12 months as of the end of October 2022 *3) As of April 2023 *4) Refer to page 97. The calculation method for CAC has changed from FY2022.10 results presentation, the calculation was limited to personnel and advertising costs, but it has been recalculated to include related costs (e.g., personnel costs related to planning positions and system costs), then payback period has been changed. There is no change in the calculation method for LTV. As a result, the unit economics value, which is last 12-month average of the multiple of LTV divided by CAC, was also changed.

FY2023.10 2Q ITANDI results

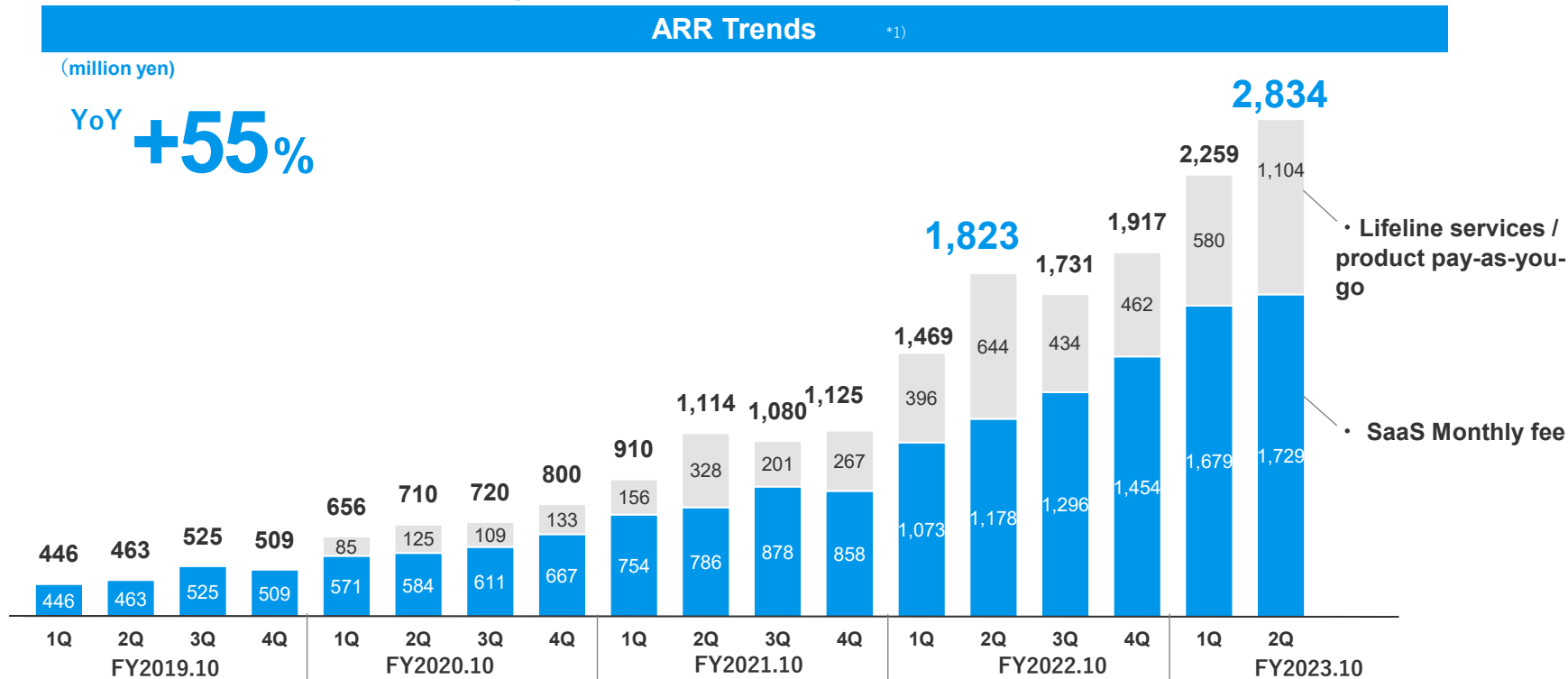
ARR trends (Quarterly)

ARR grew sharply by 1.5x YoY, growing in proportion to the number of e-occupancy applications.
 Recurring lifeline services also made contributions

ARR Trends ^{*1)}

(million yen)

YoY **+55%**

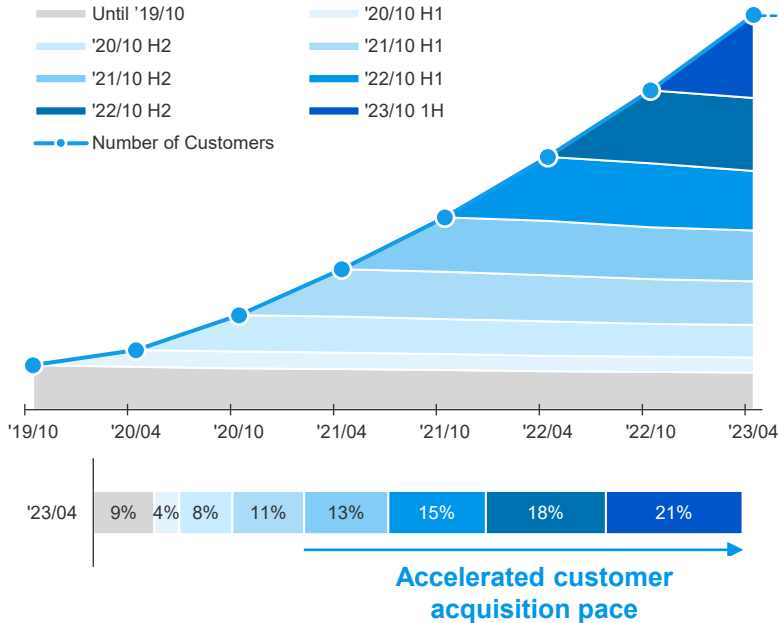


*1) Annual Recurring Revenue. Calculated by multiplying the month-end MRR at the end of each quarter by 12. Compare ITANDI BB+ ARR as of April 2022 with ARR as of April 2023 at the end of each quarter

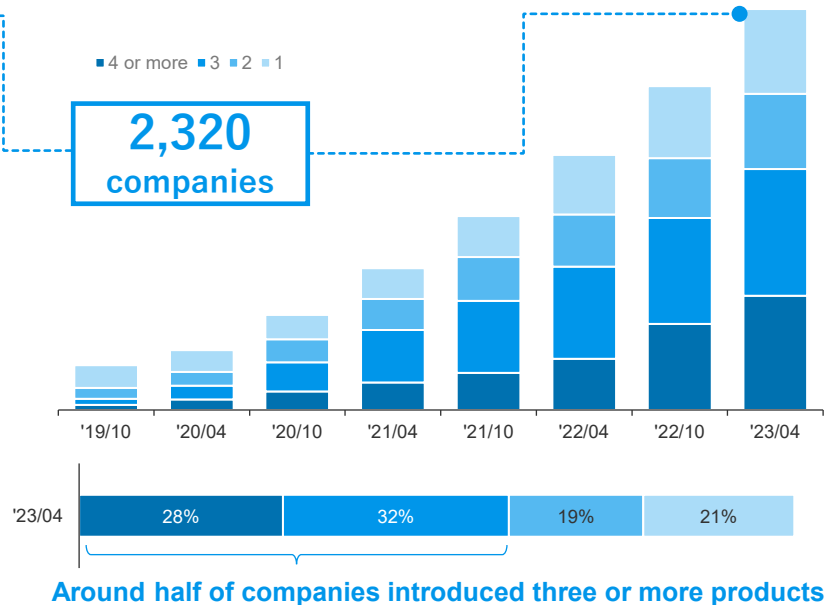
Cumulative trends for numbers of customers and products introduced

We capitalized on the strengths of vertical SaaS and accelerated our customer acquisition pace, while product introductions with cross-selling also increased

Trends in customers numbers by year of introduction



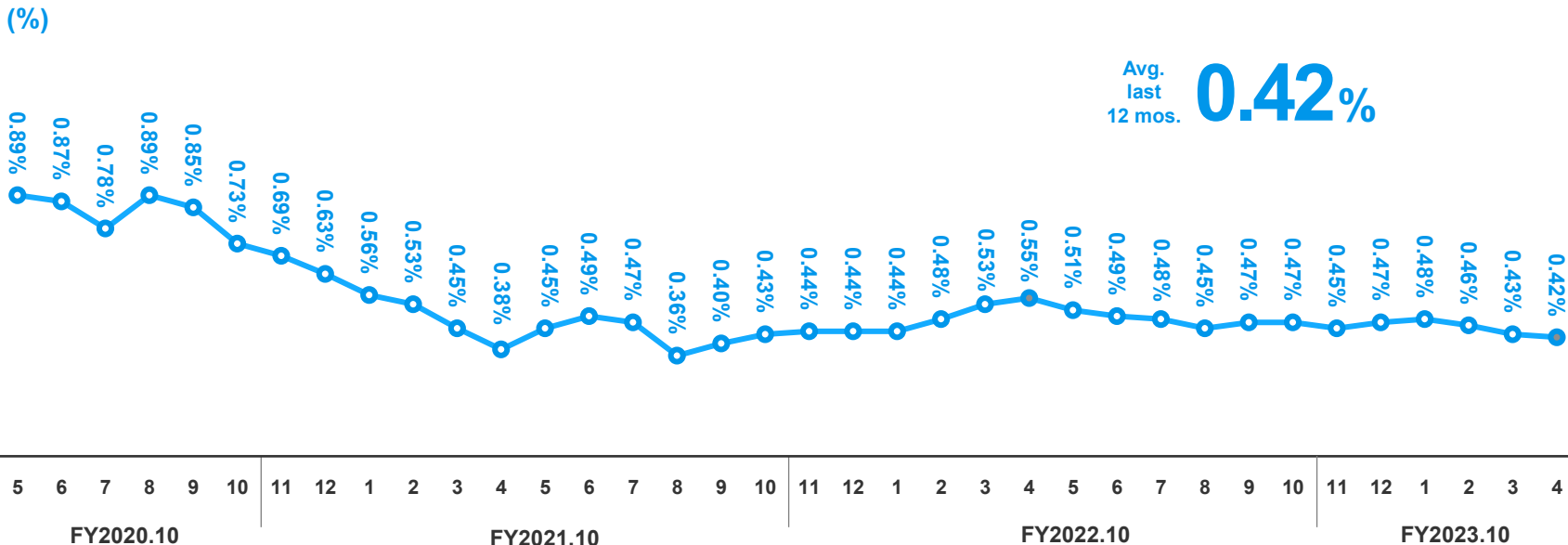
Trends in customer numbers by number of products introduced



Churn rate

Churn rate is improving due to higher evaluation of products and services by customers and strengthening of customer success

Churn Rate ^{*1)}

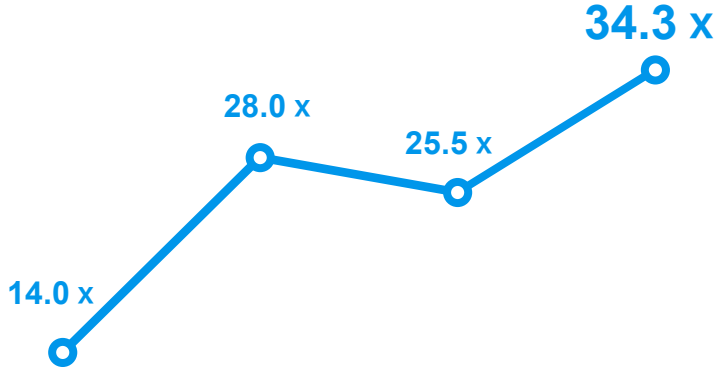


*1) Calculated monthly average churn rate of recent 12 months of ITANDI BB+ as of end of April 2023

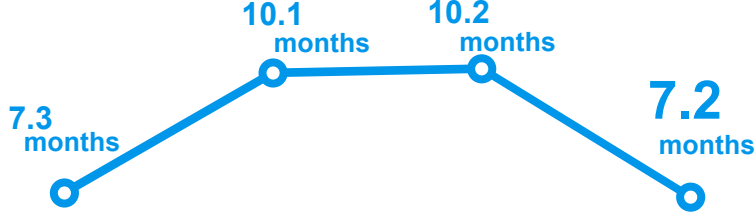
Unit economics in the last 12 Months

Maximizing unit economics and aiming to increase new acquisitions while reducing CAC payback period

Unit Economics ^{*1,3)}



CAC Payback Period ^{*2,3,4)}



FY2020.10	FY2021.10	FY2022.10	FY2023.10_2Q
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FY2020.10	FY2021.10	FY2022.10	FY2023.10_2Q
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*1) Refer to page 98 *2) The calculation method for CAC has changed; in the FY22/10 results presentation, the calculation was limited to personnel and advertising costs, but was recalculated to include related costs (e.g., personnel costs related to planning positions and system costs). There is no change in the calculation method for LTV. No change was made to the LTV calculation method. As a result, the unit economics value, which is last 12-month average of the multiple of LTV divided by CAC, was also changed, resulting in a change in the payback period

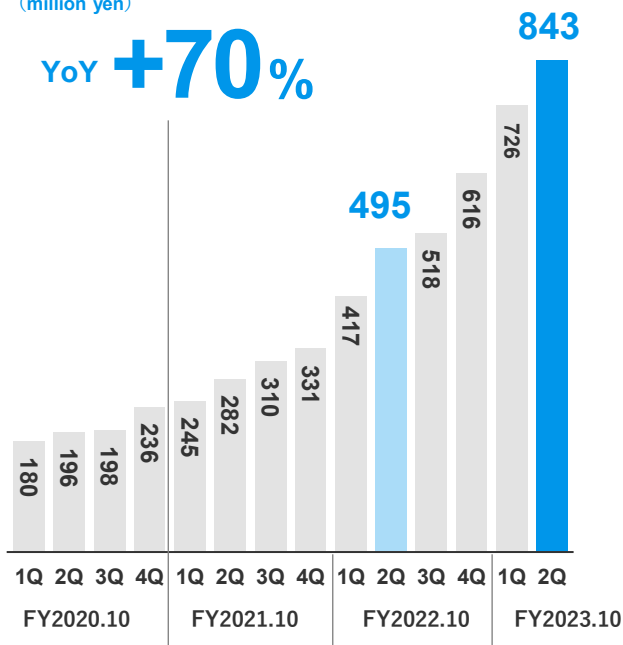
FY2023.10 2Q ITANDI results

Quarterly trends (IFRS)

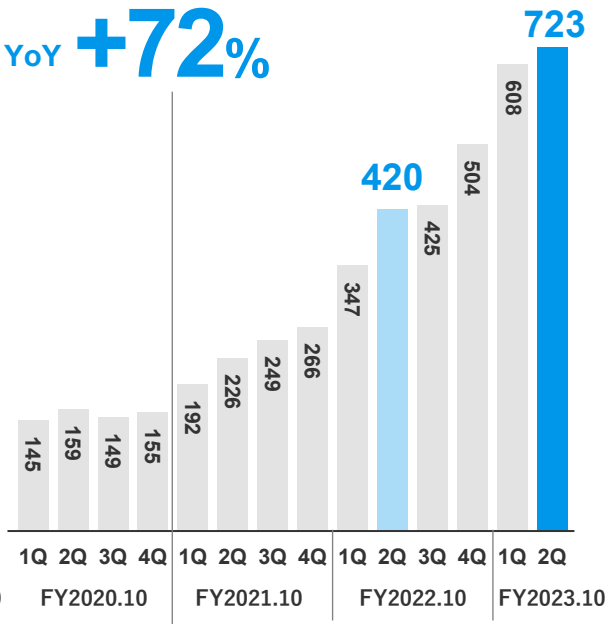
Both sales and gross profit grew strongly, up over 70% YoY, and segment income expanded significantly, up 169% YoY



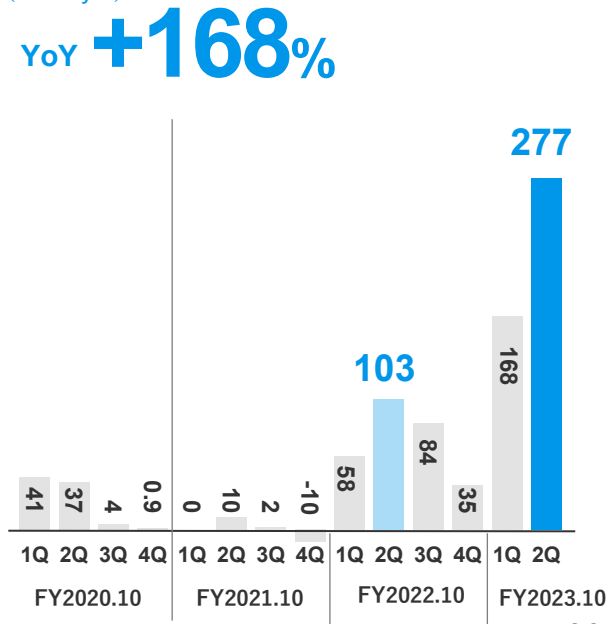
(million yen)

YoY **+70%**

(million yen)

YoY **+72%**

(million yen)

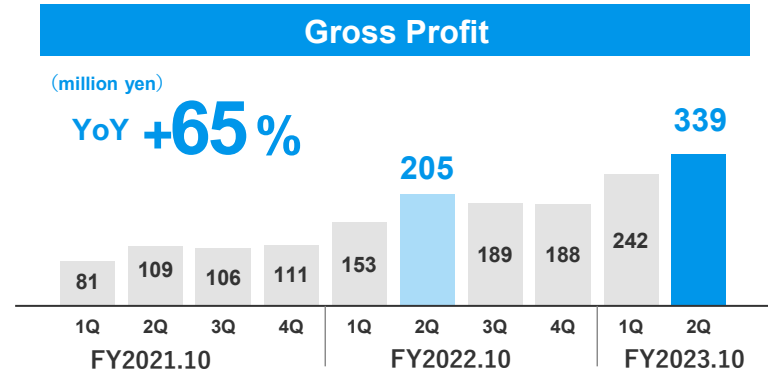
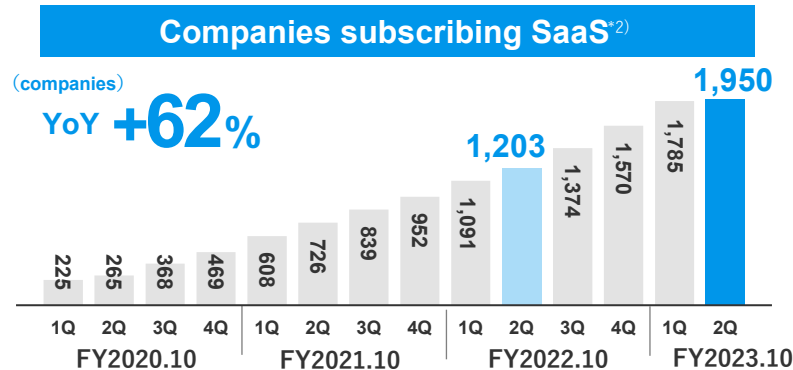
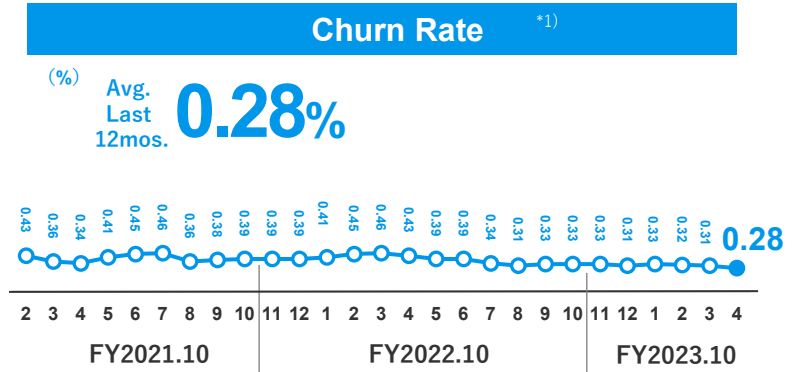
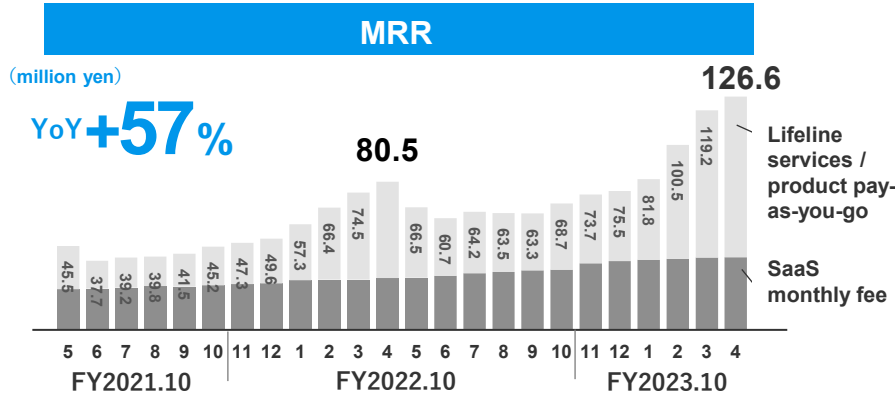
YoY **+168%**

SaaS for management companies KPI trends

ITANDI BB+



The churn rate remained at a low level of 0.28% on a downward trend.
 More than 1,900 companies have installed the system, driven by growing market needs

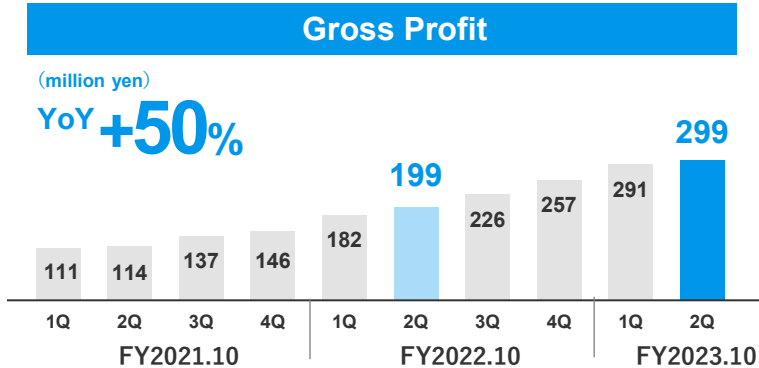
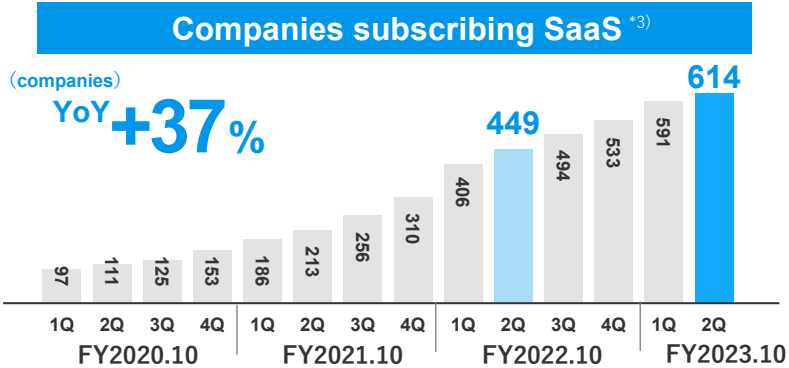
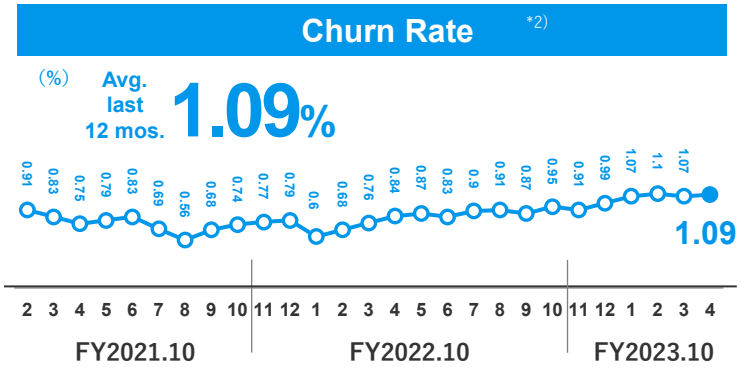
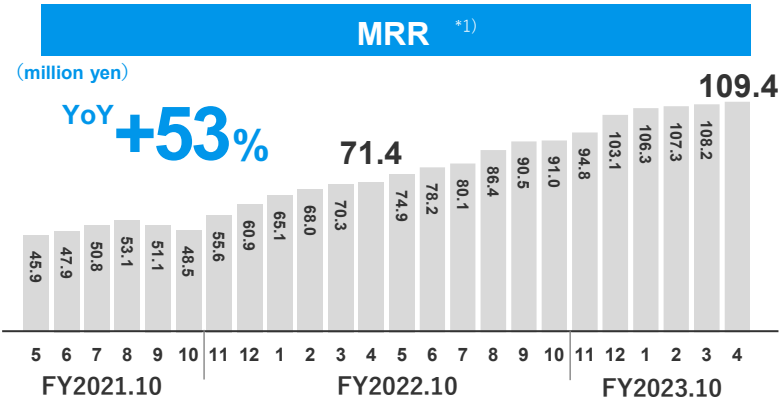


*1) Calculated monthly average churn rate of recent 12 months, based on the numbers of companies with system subscription.

*2) Management companies those started with the service

SaaS for real estate agencies KPI trends

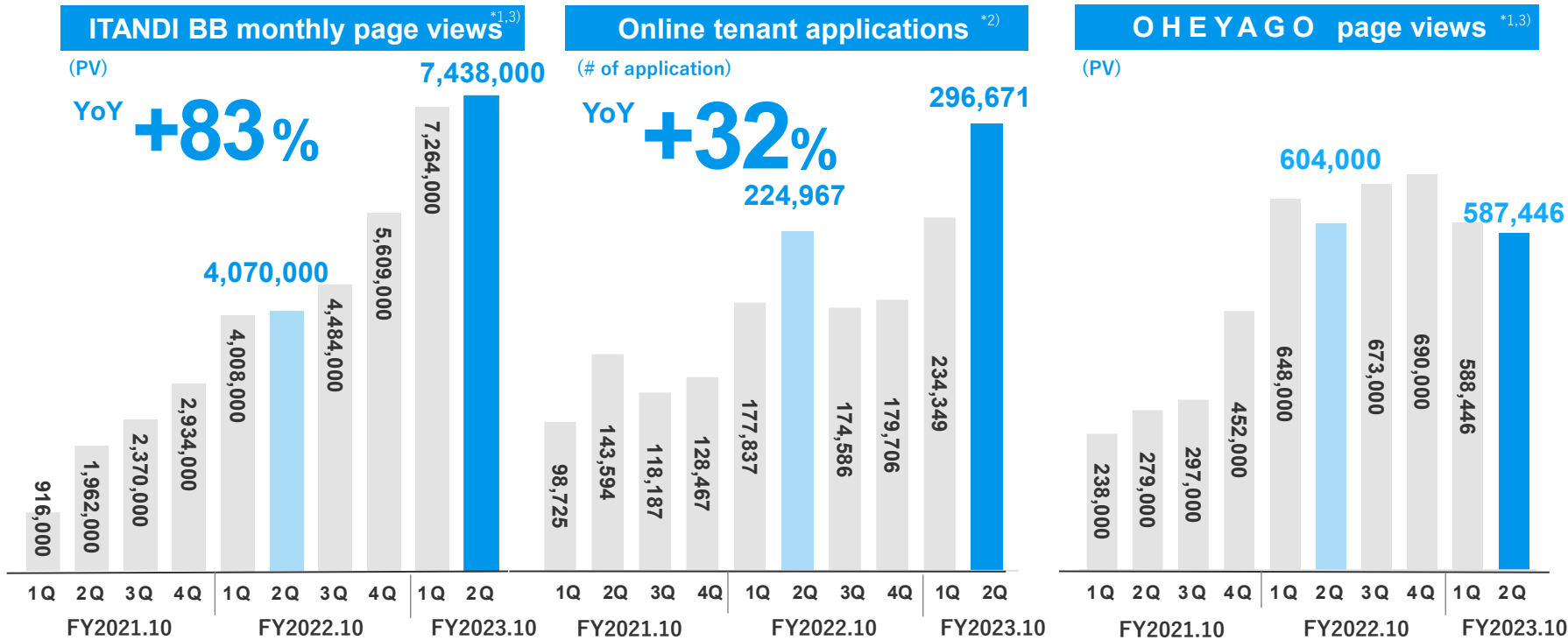
MRR exceeds 100 million yen, and number of companies that have installed the system exceeded 600. Gross profit also improved as MRR rose



*1) Monthly SaaS user fees, product pay-as-you-go fees *2) Calculated monthly average churn rate of recent 12 months, based on the numbers of companies with system subscription *3) Real estate agencies those started with service

Other Indicators

ITANDI BB monthly PV significantly grew by 83% YoY. Number of OHEYAGO PVs declined slightly due to reduced advertising cost, etc



*1) Round down to the 1,000 *2) Certain data published prior to FY2021.10 3Q have been tabulated differently. Please refer to the figures published after FY2021.10.

*3) The figures are the last month of each quarter

Topics by business segment

RENOSY Marketplace

RENOSY Marketplace

VISION

WHERE we want to go

A society where anyone can naturally build assets in real estate

MISSION

WHAT we do

(Purchase DX: Buyer)

Realize stable asset building in the future with highly reliable real estate investments.

(Sale DX: Seller)

Any property can be sold with certainty and with a large amount of money left over.

Differentiator

HOW we do it

Being No. 1 in Japan in data volume and technology, honest, customer-oriented professionals, and a one-stop solution

Topics by business segment RENOSY Marketplace

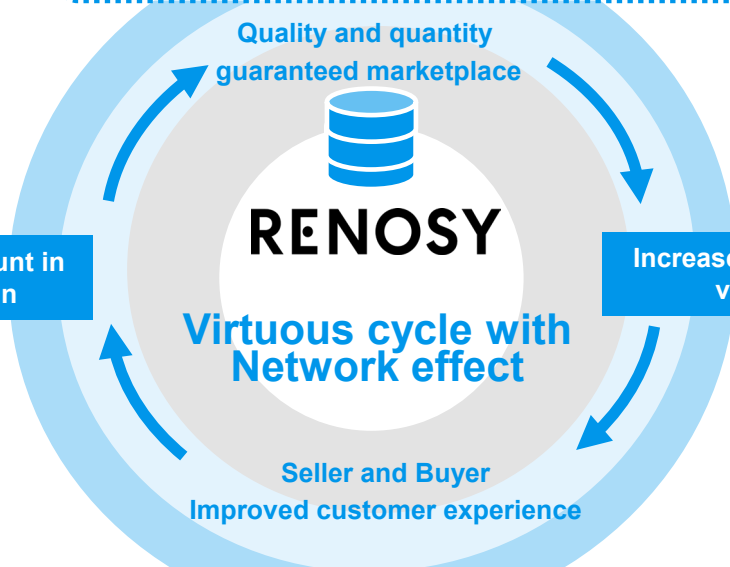
Japan's leading real estate investment marketplace

Seller DX (Seller)

Annual About 1 trillion yen of property information is acquired ^{*1)}
Property procurement of 4,500 units per year
Supply Real estate companies 110,000
Condominiums TAM 2.81 million units
RENOSY Managed properties 15,000 units

Increase amount in
distribution

Expansion of product line up
Newly-built /ore-owned condos, New build / ore-owned
apartment, Foreign real estate, Real estate self-trust
securitization



PurchaseDX (Buyer)

Annual About 67,000 members is acquired ^{*2)}
Annual income of 5 million yen + 15.8 million people Salaried Employees
Financial assets of 50 million yen + 3.41 million households
Monthly inquiries Approx. 5,500
RENOSY Stock members 35,000 people

Increase transaction
volume

RENOSY BANK
Leveraging **RENOSY BANK** contributes to increase
transaction volume.

*1) Cumulative amount of property information which the Company received during the year from November 2021 to October 2022 *2) Increase in the number of RENOSY members as of FY2021 4Q and FY2022 4Q

Strengthening online real estate ① Launch of RENOSY BANK service

Launched RENOSY BANK ^{(*)1} service, an online bank for real estate investors
 Start to consider collaboration of "finance x real estate" with GA Group, including asset formation loans ^{(*)2}

RENOSY BANK service available from March 16

Providing **asset-building loans**



Saving and increasing

Yen deposits, structured deposits, foreign currency deposits, etc.



Borrowing

Asset-building loans, mortgages, credit card loans, etc.



Convenient usage

Specialized smartphone app, etc.



Enjoyment

Public games, sports lotteries

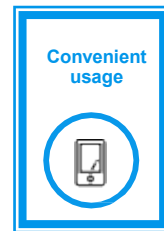


Example of collaboration between finance and real estate



GA TECHNOLOGIES
 Investment real estate sales x
 Asset-building loans

RENOSY +
 Residential real estate sales x
 Mortgage loans



RENOSY ASSET MANAGEMENT
 Rental management x Transfers
 (reduced fees)

OWNER by RENOSY
 Real estate asset management x
 Financial asset management

(*)1 White label using SBI Sumishin Net Bank NEOBANK®.

(*)2 Loan for investment-use compact condominiums originated by SBI Sumishin Net Bank and JACCS

Strengthening online real estate ② Industry's first ^{*1)} embedded property insurance

Embedded property insurance enables users to apply for property insurance online, and to carry out the entire process from real estate investment to insurance arrangement online

Embedded property insurance

Insurance services that have been pioneered in other countries and are offered as an embedded part of products and services, such as travel insurance when purchasing airline tickets on travel websites and warranty services when purchasing home appliances.

Up until now



Separate from the real estate sales contract, it is necessary to obtain a separate property fire insurance quote on your own and sign the contract. In addition, property insurance contracts are not currently online, and there are still many procedures to be completed in writing.

Separate property insurance policy



From now on



Property insurance is also included in electronic contracts for real estate sales and purchases online

GA TECHNOLOGIES



東京海上日動

FINATEXT

Features

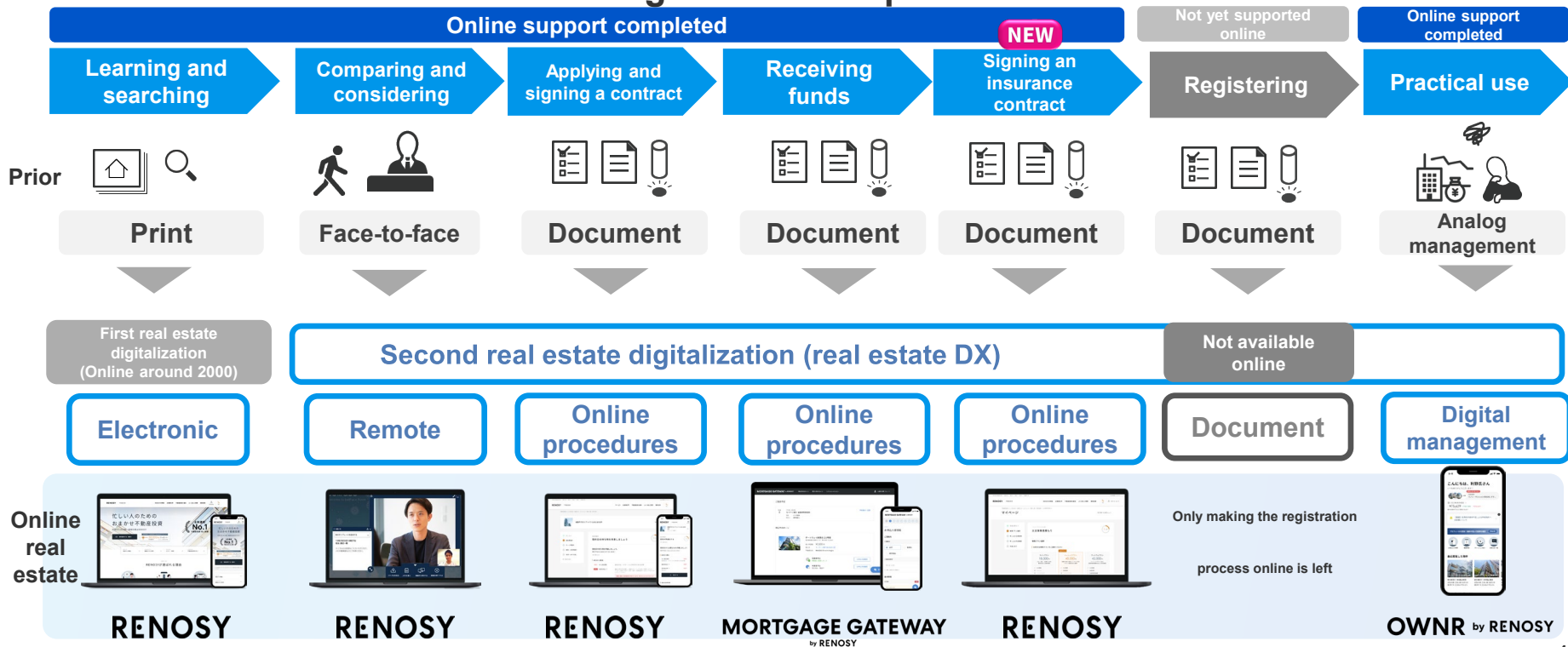
- First of its kind in the real estate investment industry
- Real-time quotation and entry-less application process
- Complete online process from considering an investment to arranging insurance
- Achieved through collaboration with Tokio Marine & Nichido and Finatext

*1) According to survey by GA technologies Co., Ltd., Tokio Marine & Nichido Fire Insurance Co., Ltd. and Finatext Holdings Ltd.

Topics by business segment RENOSY Marketplace

Strengthening the online real estate one-stop solution

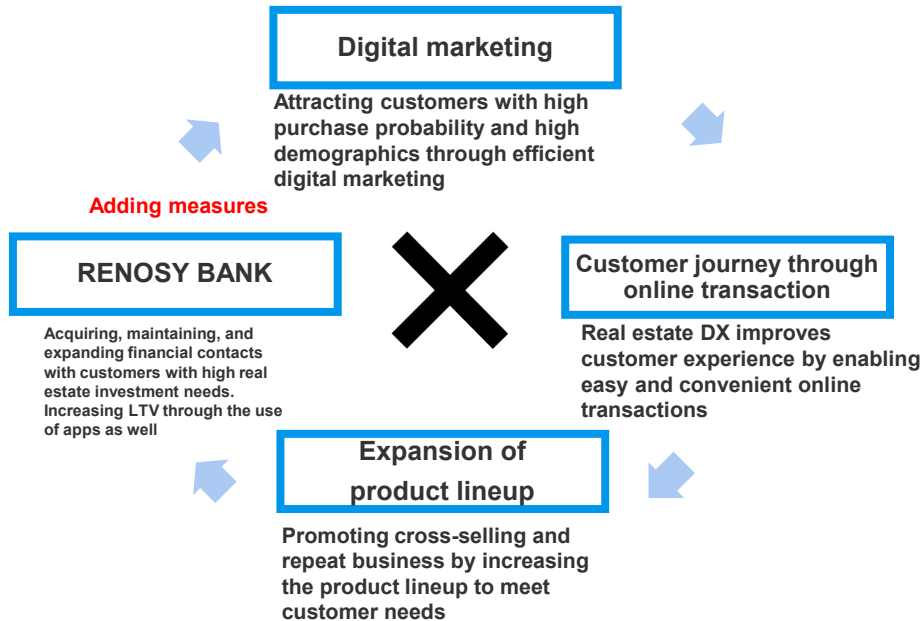
Expanding online coverage with financial capabilities and partnerships to further strengthen one-stop solutions



Conversion rate improvement measures

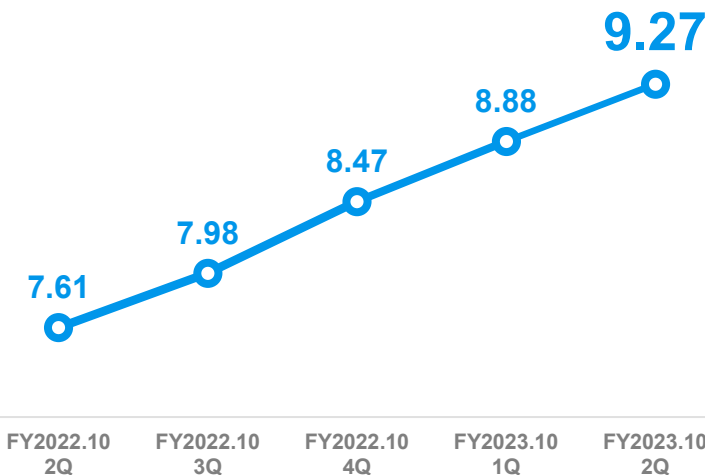
Conversion rate increased by multiplying conversion improvement measures
Aiming for further improvement in the future

Conversion rate increase measures



Conversion rate (%) ^{*1)}

Conversion rate expanding



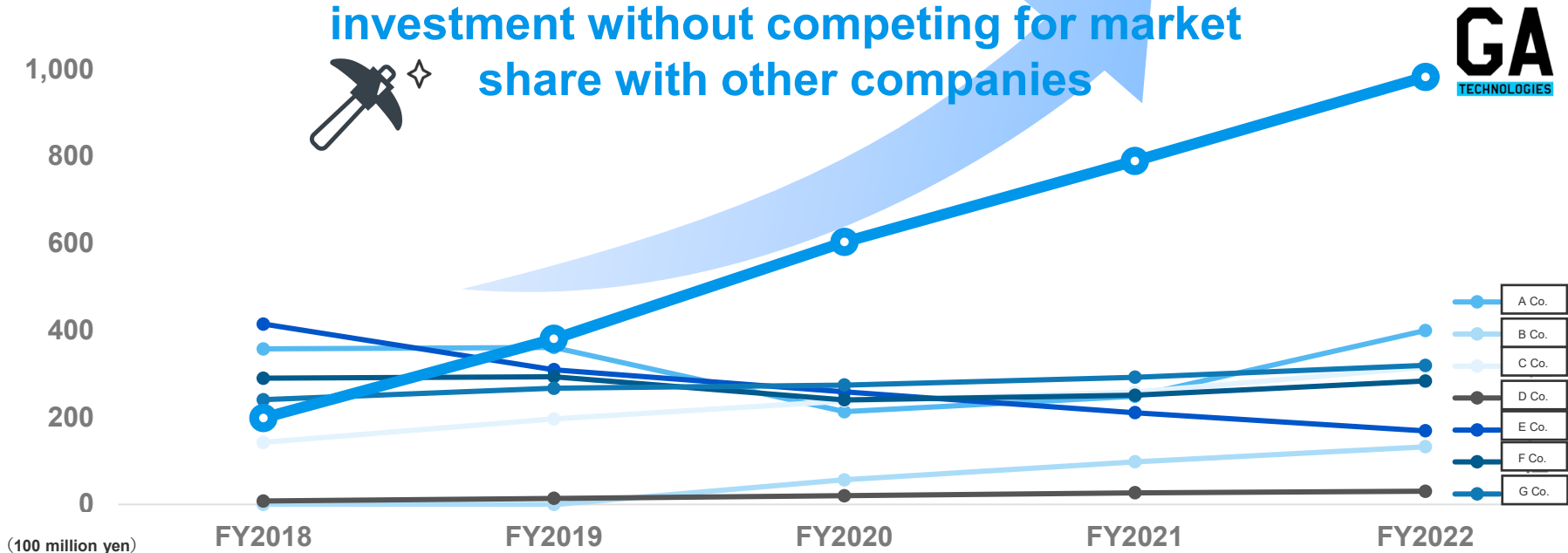
*1) Number of inquiries ÷ number of deals

Topics by business segment RENOSY Marketplace

Market creation through RENOSY

Opening up real estate investment with “Real x Technology”, and making it easy and accessible, to develop and attract new customers and create new markets

Creating a market for real estate investment without competing for market share with other companies

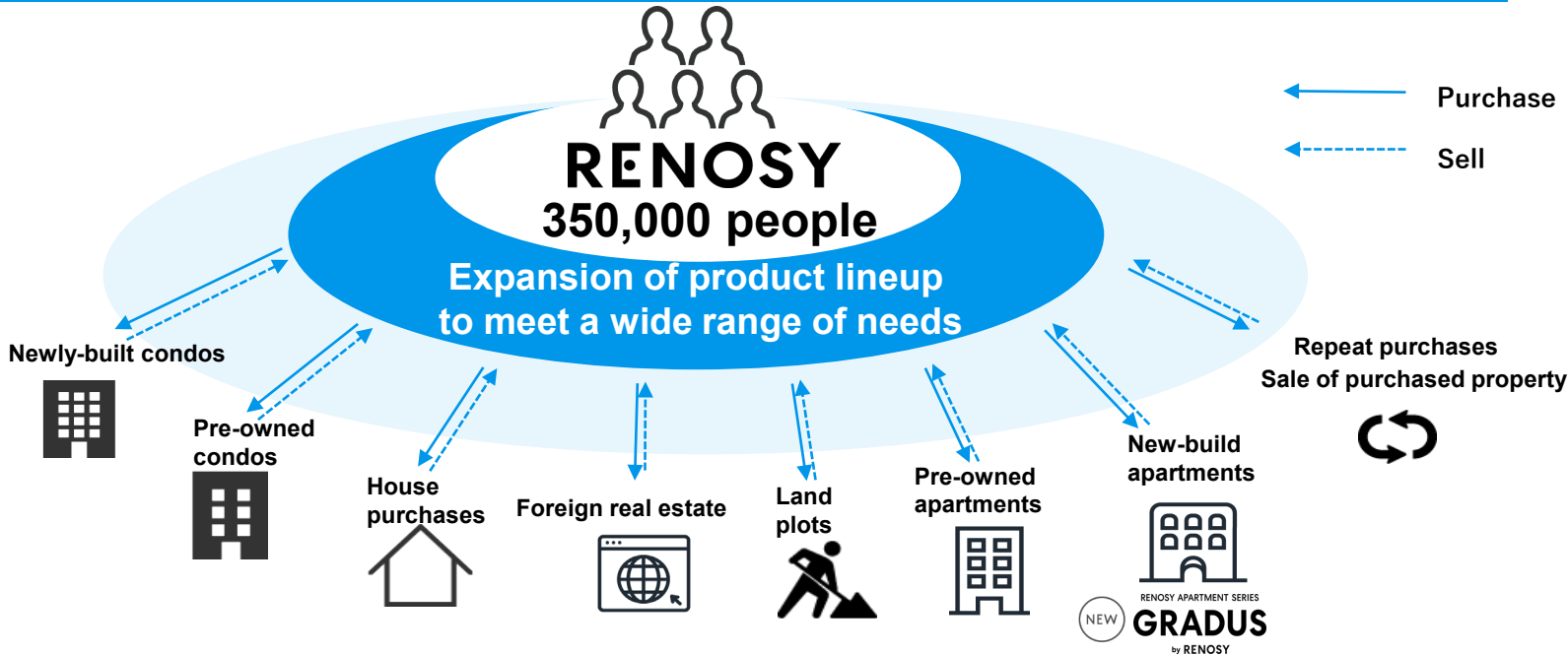


Note 1) Selected listed companies that handle pre-owned compact condominiums for investment and non-listed companies with a certain level of sales. For companies A to E, sales were estimated based on the percentage of pre-owned compact condominiums for investment as stated in financial statements, explanatory materials, securities reports, etc. For companies F to G, we used sales figures disclosed on company websites, etc.

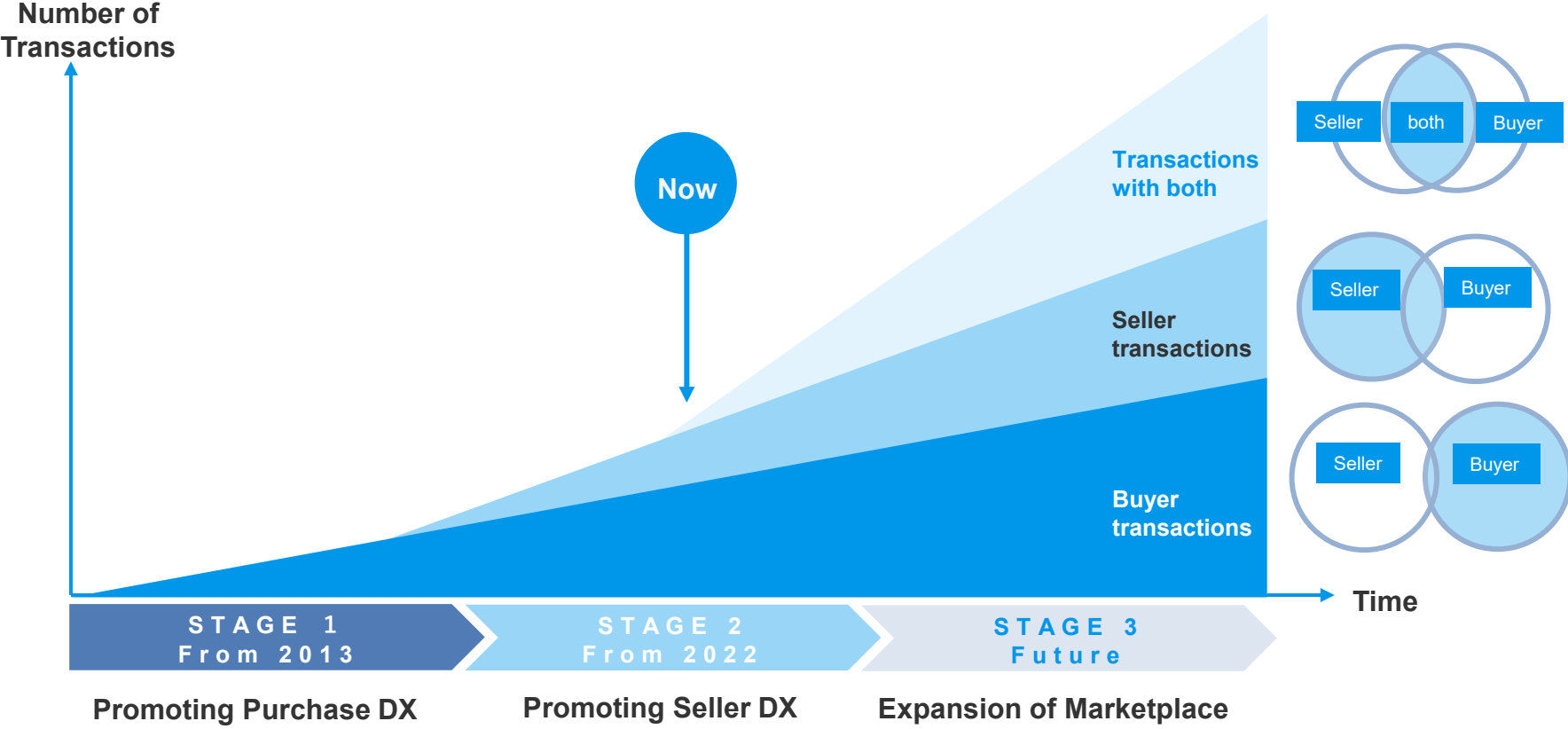
RENOSY Building an Ecosystem

By building customer assets, create a buy/sell ecosystem and further expand the product lineup to strengthen the ecosystem

RENOSY Marketplace Ecosystem



Growth Strategy: Strengthening the Marketplace at each stage



Topics by business segment RENOSY Marketplace

RENOSY Marketplace Path to Market Share Expansion

GA technologies share of pre-owned condominiums under the size of 50m² and under in the metropolitan area

FY2022.10

7.4%

Increased market share through sales of 110 billion yen



FY2023.10 (forecast)

9.5%

Through sales of 140 billion yen



Future

20%

Aim to expand market share as soon as possible, including third-party services

Market profit of the industry

TAM (approx.) **65** trillion yen^{*1,3)}

Condominiums over the size of 50m² in the metropolitan area

SAM **6.9** trillion yen^{*2,4)}

Condominiums under the size of 50m² in the metropolitan area

SAM **1.5** trillion yen^{*2,4)}

Aim to expand share to **20%**

Grow to share of 9.3%

GA technologies share 7.1%

Notes:

1. Source: Japan's real estate investment market size of profitable real estate by use, NLI Research Institute Real Estate Investment Report (March 12, 2021)
2. Estimated with reference to results released by Tokyo Kantei Co., Ltd.: Press release *Newly built / existing apartments market size of Tokyo metropolitan area* (Jan. 2021), Tokyo Kantei Co., Ltd.: Press release *Newly built / existing apartment logistics change of Tokyo metropolitan area* (May 2021). Data of registered properties released by Real Estate Information Network for East Japan, Data from top 10 companies in the property investment industry
3. TAM: Total Addressable Market (The maximum potential market size that the RENOSY marketplace business can take over)
4. SAM: Serviceable Available Market (The market share size that the RENOSY marketplace business is targeting)

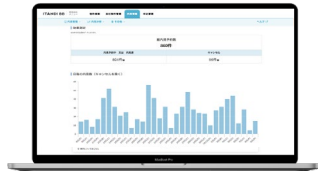
ITANDI

Service overview

Rollout services in both SaaS and marketplace to achieve Vision
 Each service shares real-time property data and has established its own position

SaaS

ITANDI BB+



For management companies



For real estate agencies



Marketplace

ITANDI BB



Real estate industry professionals' website

OHEYAGO

オヘヤゴ



Online Real Estate Rental Service

Solve Challenges Faced by SMB Companies in the Real Estate Rental Industry, Through Digitizing All Operations

Challenges faced by SMB companies

1 Shorthanded



- Approximately 90% of real estate companies are operated by a **small group** of less than 4 people
- **Chronic understaffing** for workload, caused by many analog operations that remain

2 Budget Shortage



Insufficient in-house development resources and **budget for development outsourcing** to digitalize the entire workflow (only individual IT tools are introduced and analog operations are mixed)

Provide as
Package

Solutions through our Products lineup

Digitization of all operations
(Interagency Listing Media, Communication Tools, and Databases)

ITANDI BB



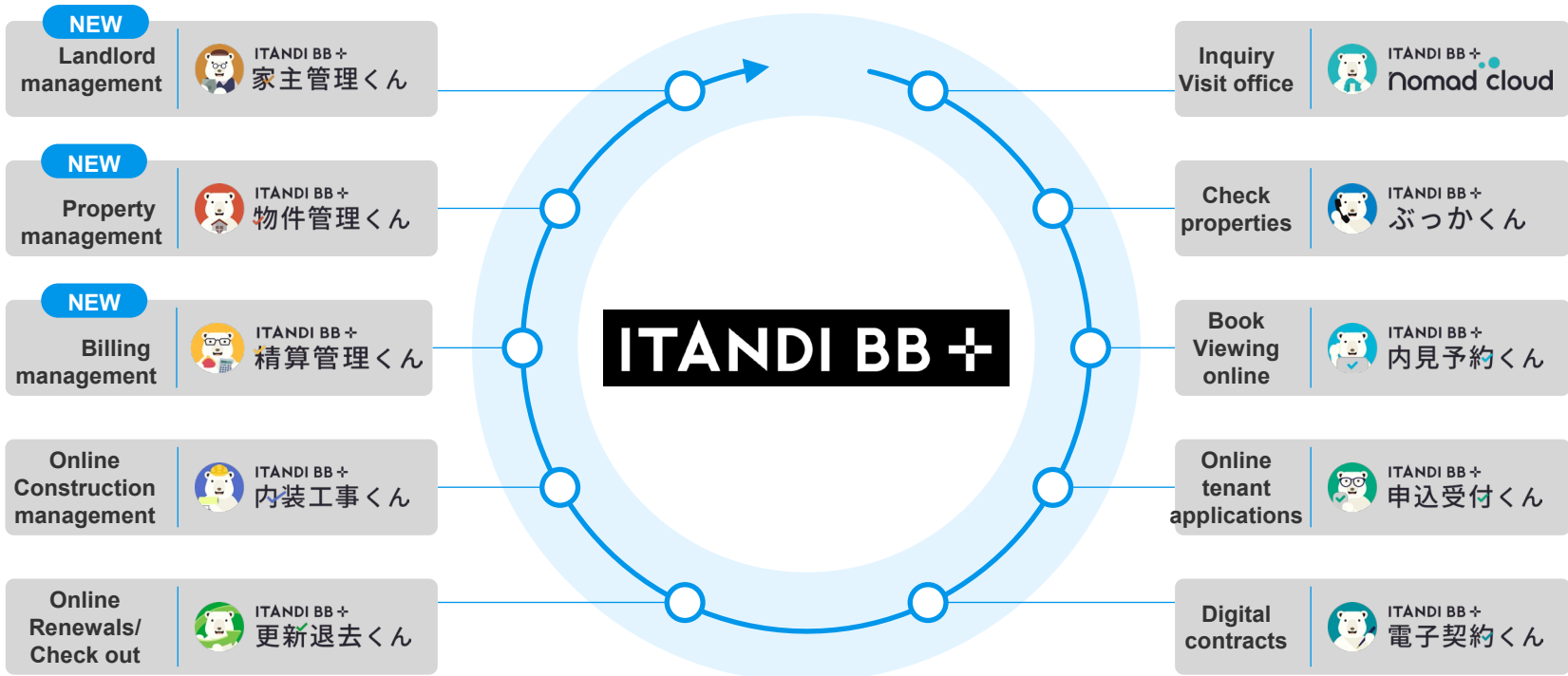
ITANDI BB +



Topics by business segment ITANDI

One-Stop service lineup

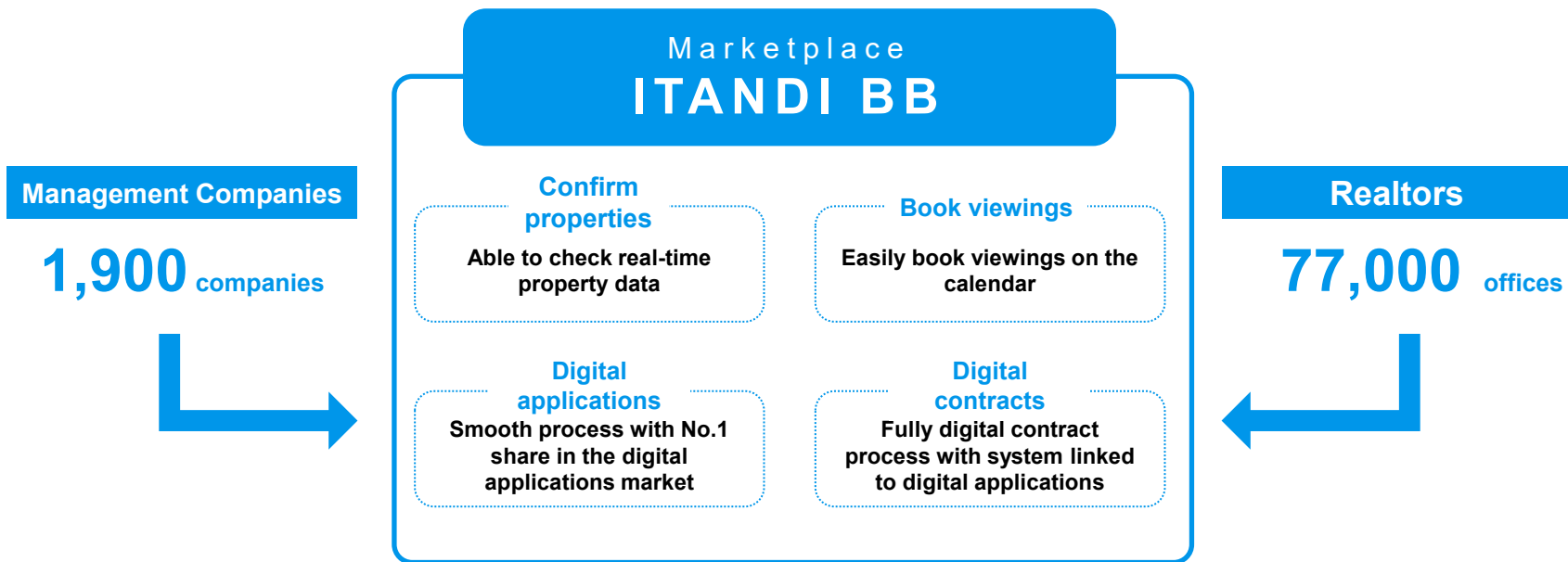
Expanded service line-up for real estate companies in the rental housing market. A complete package to help digitize real estate related work



What is ITANDI BB?

A marketplace that makes transactions more efficient by matching management companies that list vacant properties with real estate agencies that want to introduce properties to consumers

Increases market share by differentiating with features not available on other real estate websites, such as real-time property information confirmation, viewing reservations, digital applications and digital contracts



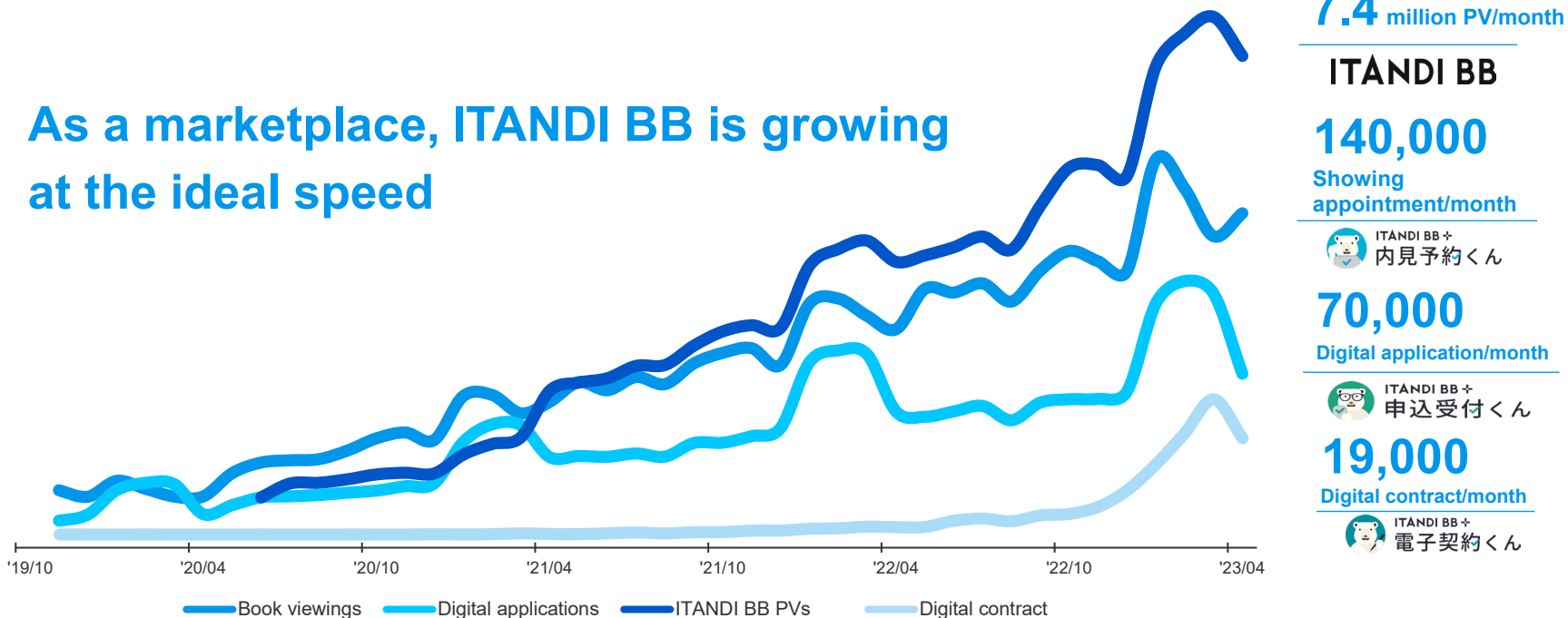
Topics by business segment ITANDI

Network effects of ITANDI BB

Through an increased number of properties being listed on ITANDI BB, the number of PVs, viewings booked, digital tenant applications, etc., from agencies also grew exponentially

The growth of ITANDI BB led to work efficiency and improved sales for management companies using SaaS, and further boosted the increase in the number of companies subscribing

As a marketplace, ITANDI BB is growing at the ideal speed



Topics by business segment ITANDI

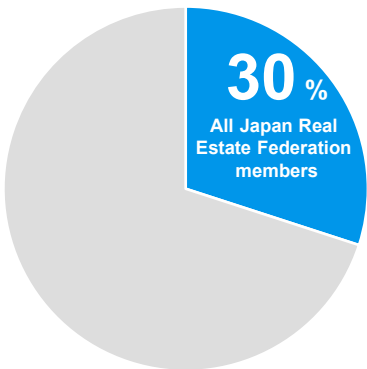
Launched "Rabbynet" from the All Japan Real Estate Federation

All Japan Real Estate Federation's member support system "Rabbynet" available from April 2023

This provides a single, integrated update of the real estate operations of more than **35,000 members of the association**

All Japan Real Estate Federation

Japanese real estate companies



*Not including some major real estate companies that are not members of guarantee associations



One of the **two largest real estate associations** in Japan

Approx. 30% of real estate companies are members

Approx. 35,000 corporations are members

Impact of this initiative

By having Rabbynet work with our products, expecting an increase in the number of companies that have adopted ITANDIBB+

Property information system for members

Old system

Companies using our services



Starting from April 19, 2023

Number of companies using our services

Approx. 2,000 companies

Currently

Approx. 35,000 companies

Currently

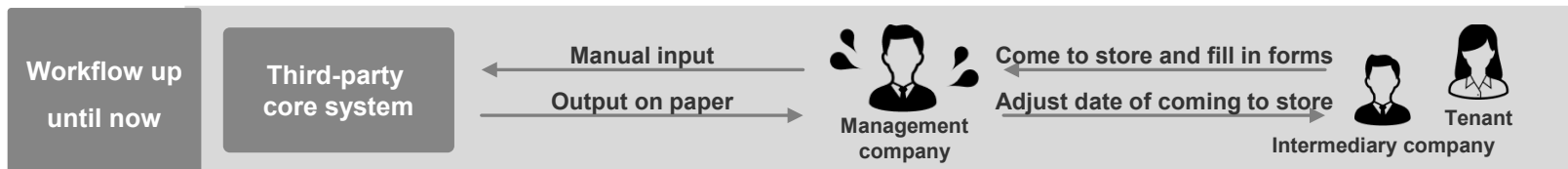
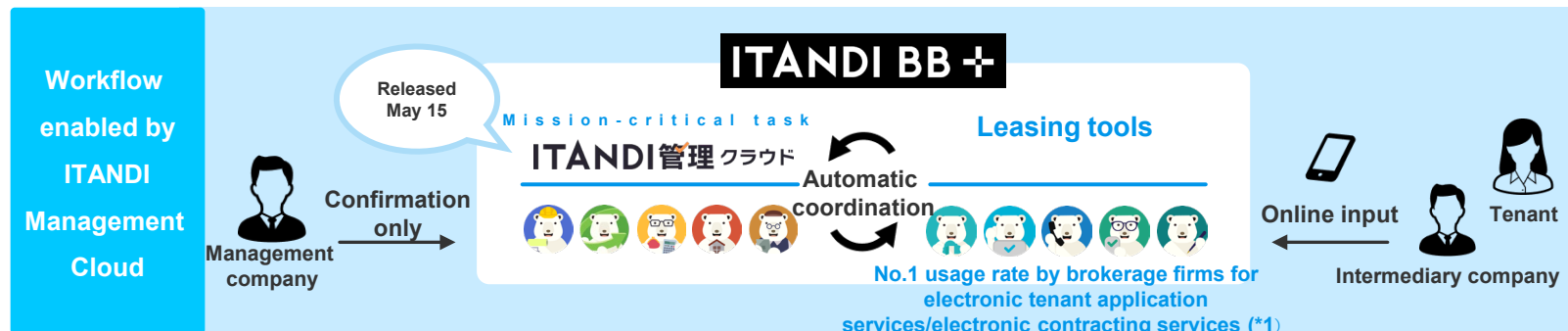
Launched rental management system "ITANDI Management Cloud"

In addition to leasing tools, we launched "ITANDI Management Cloud," a key component of rental management, covering the entire flow of rental management operations, which in turn contributes to further improvement in convenience and customer satisfaction

Core business system advancement to complete the one-stop solutions

×

Growth by leveraging our strong track record in leasing tools

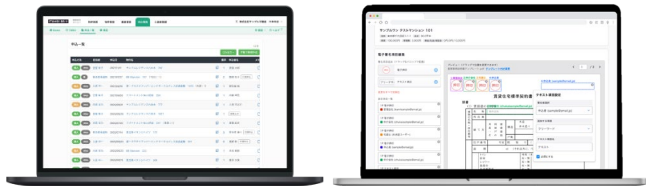


Note 1) Leasing Management Consulting "Survey on the Impact of COVID-19 on the Rental Real Estate Market during the 2023 Moving Season (January-March)" (2023/01/24) n=405

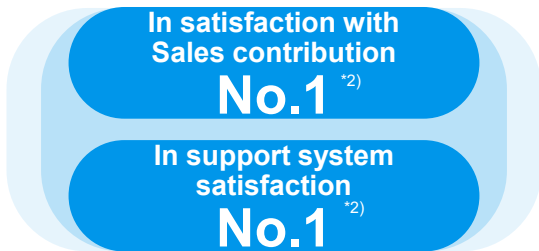
Topics by business segment ITANDI

Share and customer satisfaction performance

Digital tenant application services
for management companies



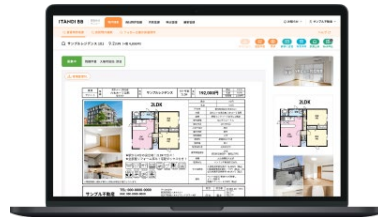
Operational streamlining services
for real estate agencies



Inter-agency distribution website



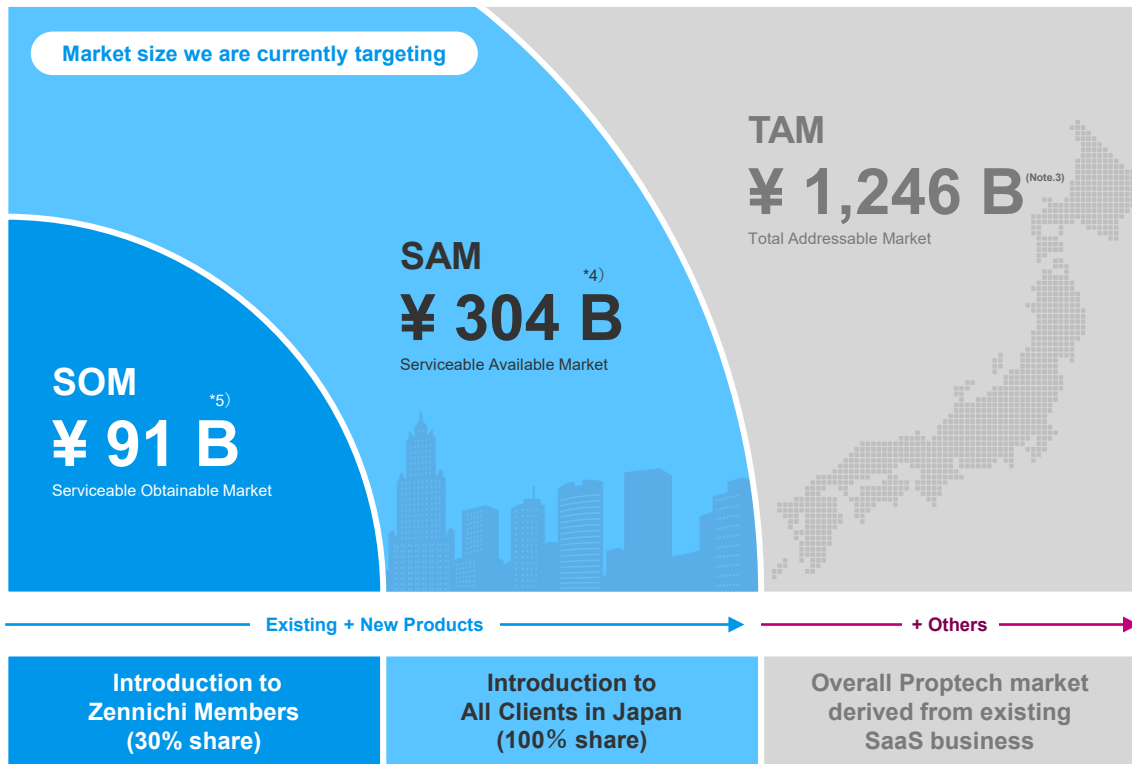
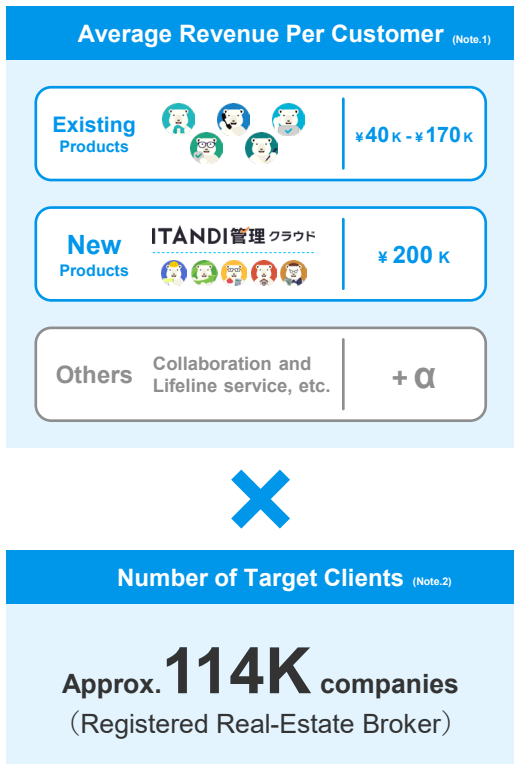
ITANDI BB



Notes: 1. Note 1) Leasing Management Consulting "Survey on the Impact of COVID-19 on the Rental Real Estate Market during the 2023 Moving Season (January-March)" (2023/01/24) n=405
 2. [Survey conducting agency] Industrial Marketing Consultations Co., Ltd. [Survey period] February 21 to April 8, 2022
 [Target of survey] Real estate agents listed on the register of real estate brokers, mainly in prefectural capitals and ordinance-designated cities, that have adopted a customer management system.
 [Survey method] Telephone interview survey + Fax questionnaire [Number of hearings] 2,900 phone calls, 426 questionnaires that sent [Valid responses] 145 (*Companies that introduced CRM systems for brokering rentals) [Analysis] Comparison among the four systems with the highest number of valid responses.

Topics by business segment ITANDI

Target market size



Note.1) Price range of products for both property management companies, and rental agency Note.2) Source: Real Estate Transaction Improvement Organization "Statistics on Registered Real-Estate Broker at the End of Fiscal Year 2021"

Note.3) Source: Yano Research Institute Ltd. "Proptech Market 2021" TAM includes the following business areas: [B2C] Media, Matching, Design/Construction (Renovation), Home Loan, Sharing (Parking, Space, Co-living)

[B2B] Matching, Business Support (Business support, Value assessment), VR/AR, IoT (Smart lock) Note.4) SOM = SAM × 30% Note.5) SAM = Total ARR for each products = ①ARR of existing products for brokerage companies + ②ARR of existing products for management companies + ③ARR of new products for management companies ①ARR of existing products for brokerage companies = Number of brokerage companies × ARPU ②ARR of existing products for management companies = Number of management companies × ARPU ③ARR of new products for management companies = Number of management companies × ARPU number of brokerage companies = Number of real estate contractors × brokerage companies rate/number of management companies = number of real estate contractors × Percentage of management companies ※ There is overlap because some cases are concurrently engaged in other businesses.

Financial strategy

Growth strategies update

Further promote growth strategies to achieve medium-term targets of 20-30% revenue growth and 20% profit margin

Growth strategies

1 **RENOSY Marketplace:** Expansion of product lineup, customer acquisition

2 **ITANDI:** Expansion of SaaS service lineup, implementation of core system

3 **Global:** Acquire new marketplace users

4 **New business:** Creation of businesses utilizing "real business combined with technology"

5 **Non-organic:** M&A and other synergistic business acquisitions

Update (FY2023)

1 • Providing the **RENOSY BANK** service, an online bank for real estate investors
• **Securitization business using self-trusts**

2 • Adoption of **ITANDI BB** infrastructure by the All Japan Real Estate Association
• Providing **ITANDI Management Cloud**, a core system for rental management

3 • Initiation of handling investment properties in Thailand
• Acquisition of new users in Asia

4 • Initiation of providing **MtechA**, an M&A intermediary service utilizing "real business combined with technology" as a new business

5 • Continuously strengthen M&A activities that lead to business growth and realization of synergy with companies that have joined the Group through M&A

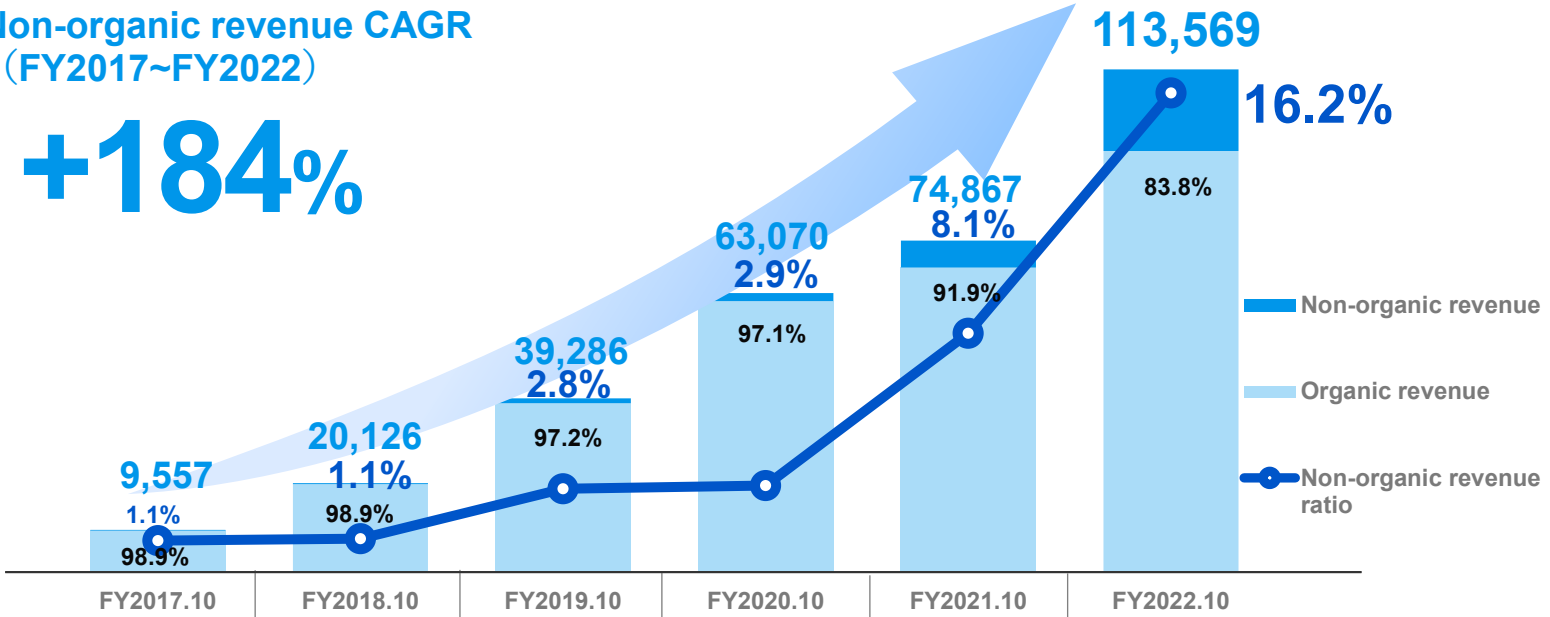
Trend of non-organic revenue ratio

Non-organic revenue as a percentage of total revenue increased to 16.2% in 5 years
 Non-organic revenue CAGR is high at 184%

Changes in non-organic revenue ratio^{*1)}

Non-organic revenue CAGR
 (FY2017~FY2022)

+184%



*1) Calculated under JGAAP from FY10/07 to FY10/2020, and under IFRS from FY10/2021 onward. Organic revenue is the sum of revenue of existing compact condominiums and subscriptions, and non-organic revenue is the sum of revenue from other businesses

Past synergies with M&A companies

Synergy effects after joining GA Group^(*)



- Developed a profitable SaaS business that significantly contributes to increasing the value of the Company's group
- Promoted real estate DX mainly through rental management and brokerage companies, driving the real estate DX that we are aiming for



- Enabled one-stop proposals for renovation and remodeling of existing compact condominiums as a value-added option
- Renovation demand is expected to increase as the number of new clients and the age of pre-owned compact condominiums owned by existing clients increases



- Conducting cross-selling to RENOSY marketplace customers, focusing on high-end rentals



- Became possible to sell properties purchased on the RENOSY marketplace on platforms for Chinese customers



- More direct procurement became possible by incorporating the acquisition function
- Incorporating GA's DX expertise into partners contributes to group-wide cost reductions



- Enabled sending customers interested in new construction properties through inquiries to RENOSY Marketplace and proposing new construction properties within the group



- Became possible to propose Thai properties to RENOSY Marketplace and Shenjumiaosuan Co.,Ltd customers

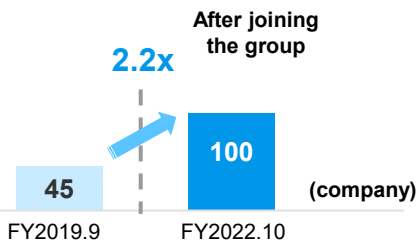
(*) Major growth from the period immediately prior to M&A to the previous fiscal year (FY2022.10) for each company.

Improvement of KPI Indicators from Post-M&A to Present

Improved performance of M&A target companies in the past in a speedy manner

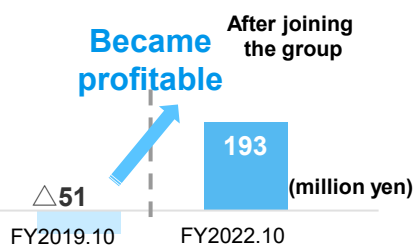
Yes Renovation
Package Renovation For Rent

No. of companies introducing



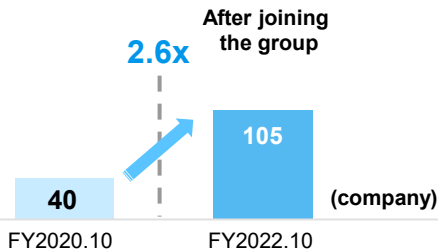
MODERN STANDARD *1

Operating profit



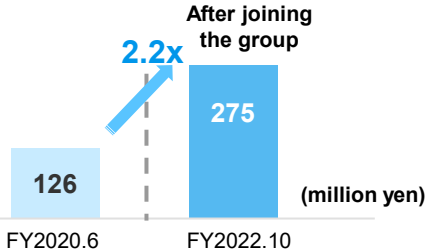
神居秒算

No. of companies listed



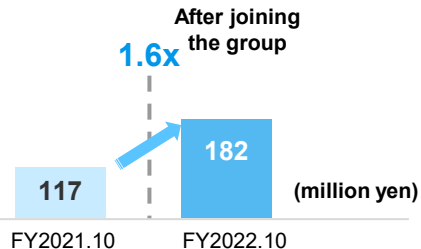
PARTNERS

Operating profit



Ricordi

Operating profit

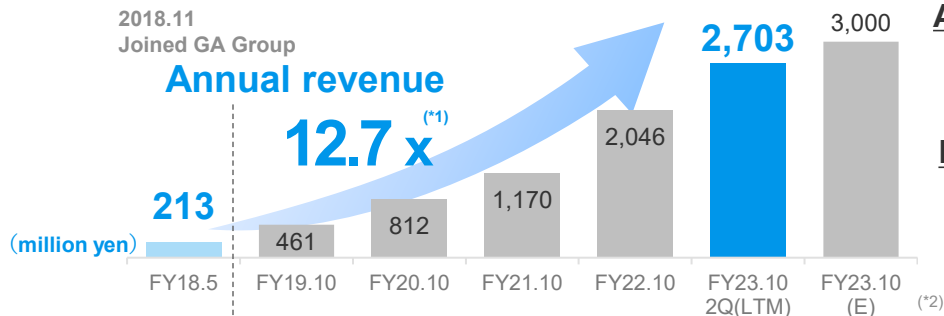


* 1) In April 2021, the company name was changed to RENOSY PLUS Co., Ltd.

ITANDI equity value trends

Successfully increased value continuously after M&A. Aiming to further increase equity value in the future

ITANDI's key performance and equity value



ARR	509	800	1,125	1,917	2,834	(million yen)
Total No. of clients	252	566	1,135	1,893	2,320	(Companies)
Churn rate	-	0.73	0.43	0.47	0.42	(%)
Unit economics	-	14.0	28.0	25.5	34.3	(Multiplier)
No. of products^(**)	6	10	10	11	12	(Units)

At time of M&A

(million yen)

Equity value ...①

2,800^(*)

Latest FYE (FY2022.10)

(million yen)

FY2023.10

Forecasted revenue...②

3,000

Estimated PSR...③^(*)

8.0 ~ 10.0x

② × ③
Estimated equity value...④

24,000~30,000

④/①

Increase in equity value

8.6 ~ 10.7x

*3) Calculated based on our acquisition price of ITANDI shares

*4) Among major listed SaaS companies in Japan, with an annual revenue growth rate of 30%+ as of June 7, 2023, calculated by dividing the Bloomberg Consensus of revenue by the annual revenue of the most recently disclosed annual financial results, were selected as reference companies. Estimated PSR range for the domestic SaaS industry to be 8-10x by referring to the median expected PSR (9x) for each company, which was calculated by dividing the market cap as of June 7, 2023 by the Bloomberg Consensus. The references and estimated PSRs are as follows; Rakus(3923) 12.0x, Money Forward (3994) 11.4x, Plus Alpha Consulting (4071) 12.5x, Appier Group (4180) 6.0x, SpiderPlus (4192) 7.4x, Sansan (4443) 7.5x, Chatwork (4448) 7.7x, Freee (4478) 10.3x, Medley (4480) 9.1x

Summary of Balance Sheet

(million yen)		FY2021.10	FY2022.10 ^①	FY2023.10 2Q ^②	Amount of Change (②-①)
Current assets	Cash & cash equivalents	15,275	11,842	12,820	978
	Inventories ^{*1)}	2,891	8,056	10,267	2,211
	(Turnover period ^{*2)}	(12.1 days)	(20.6 days)	(23.3 days)	(2.7 days)
	Trade receivables ^{*3)}	284	667	855	188
	(Turnover period ^{*2)}	(1.2 days)	(1.8 days)	(1.6 days)	(-0.2 days)
	Others	1,003	2,298	3,877	1,579
Non-current assets		29,140	32,289	30,874	-1,415
Total assets		48,593	55,152	58,693	3,541
Liabilities	Trade payables ^{*4)}	1,531	2,073	1,826	-247
	(Turnover period ^{*1)}	(8.6 days)	(6.8 days)	(5.5 days)	(-1.3 days)
	Others	29,390	33,763	37,094	3,331
Equity	Share capital	7,129	7,238	7,261	23
	Retained earnings	-419	-23	356	379
	Others	10,962	12,101	12,156	55
Total liabilities and equity		48,594	55,152	58,693	3,541

Low working capital :
Strict control of Cash Conversion Cycle (CCC)^{*5)}

Stable financial base
(Sound capital-to-asset ratio)

Shareholder return policy:
Total Shareholders Return (TSR)^{*6)}

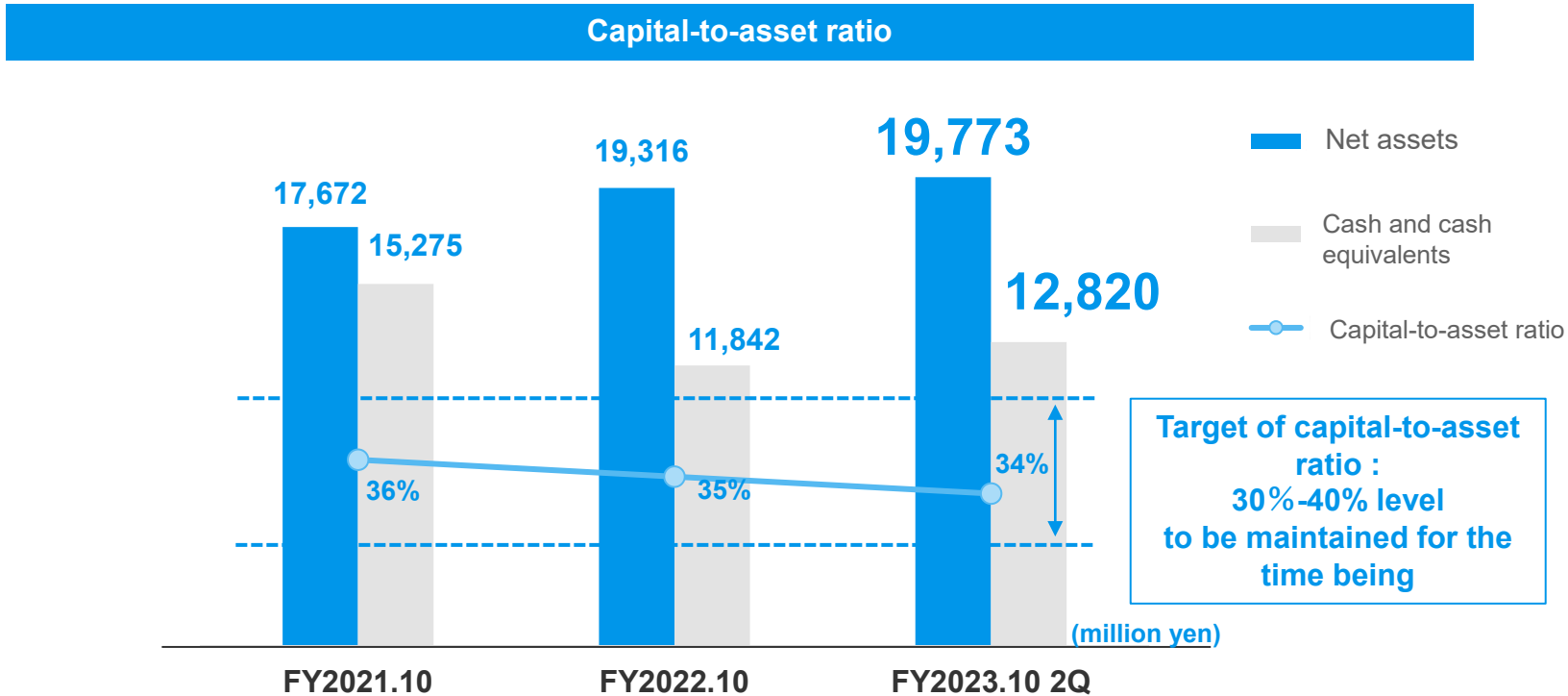
*1) Inventories *2) Averages during the applicable period are used for inventory, operating credit, and operating liabilities when calculating turnover time

*3) Trade and other receivables *4) Trade and other payables

*5) CCC (Cash Conversion Cycle) = Inventory turnover days + Receivables turnover days - Accounts Payable Turnover days- *6) Total Shareholder Return (TSR)

A stable financial base (Sound capital-to-asset ratio)

By maintaining a sound capital-to-asset ratio and the level of cash and cash equivalents at hand, we will maintain our stable financial base



Objectives for financial figures

	FY2022.10 results	FY2023.10 2Q results	Medium-term Target
Sales growth rate	51.7 %	29.7 %	▶ Continuous revenue growth rate 20~30 %
SaaS revenue growth rate	74.8%	72.0%	▶ Continuous revenue growth rate 40~50 %
Consolidated gross profit ratio	14.6%	15.8%	▶ ~ 20 %
Cash Conversion Cycle (CCC)	15.6 days	19.4 days	▶ Within 30 days
Capital-to-asset ratio	35%	34%	▶ 30%~40% level to be maintained for the time being

ESG

Issues addressed by the GA technologies Group

Social Issues

- Contributing to the SDGs through business (reducing emissions by digitizing documents, etc.)
- Getting prepared with real estate in an age of longevity (asset formation)
- Housing problems due to declining birthrate and aging population

Real Estate Issues

- Low productivity analog work
- Information asymmetry
- Poor user experience

GA technologies Group Sustainability Strategy

Consideration for the global environment

Creating a safe and secure trading environment

Contributing to society through sports

Contribution to sustainable urban development

Creating rewarding workplaces

Strong governance and compliance



Our way of thinking regarding ESG and Sustainability

The Group proclaims **Our Ambition** as “Building a world leading company that inspires and impresses people with the power of technology and innovation”. Our business is real estate, which is a large, socially meaningful field that involves everyone in society. While solving real estate issues with an approach that utilizes technology, working on solutions for larger social issues, and generating services and products that provide value, we will continue to contribute to the sustainable development of society.

Solving real estate issues



- Low productivity and analog work
- Unbalanced information
- Poor user experience

Solving social issues



- Contributing to SDGs through our business (e.g., reducing emissions by digitizing paperwork)
- Utilizing real estate to prepare for the era of longevity (asset formation)
- Housing problems caused by the declining birthrate and aging population

Environment

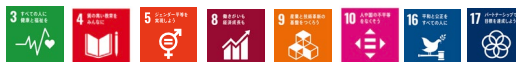
Undertaking environmentally conscious business activities



The Group aims to build an environment in which real estate investment is more familiar. By providing various online services, such as RENOSY and ITANDI, we will strive to contribute to reducing the burden on the environment—for example, by cutting back on unnecessary travel and going paperless—and to sustainable growth in society and the economy.

Social

Contributing to society and fulfilling our responsibility to create the future through our business activities



The active participation of every employee is essential for improving our business activities. We will use technology and all kinds of systems to remove various restrictions, such as those of time, place, gender, age, nationality, and changes in life stages, and provide a location and environment that enables the active participation of all employees. Our aim is for the contributions of individuals to lead to the growth of the company as a whole and to the growth of society.

Governance

Managing with effective governance while creating new value



Along with maximizing corporate value, the Group is striving to increase long-term, stable value for shareholders. We will build an internal system that enables prompt and rational decision-making and business execution. We will also earnestly work on preventing corruption and strengthening corporate governance.

Efforts for ESG ~Environment~

Environment conscious business activities

Consideration for the global environment



With the revision of the Real Estate Brokerage Act in May 2022, the ban on online real estate transactions, "Internet real estate," has been lifted, and the use of SaaS for real estate companies provided by ITANDI has expanded. In the future, we will continue to utilize technology not only in the real estate industry, but also in other areas to solve the world's problems, such as the issue of global environmental resources.

Reduction of 11.77 million sheets of paper for the entire group (one year from April 1, 2022 to the end of March 2023)

Paperless transactions through real estate DX leading to decrease of approx. 11.77 million sheets of paper annually

Contribution to sustainable urban development



Based on three themes as sustainability activities, GA technologies and RENOSY ASSET MANAGEMENT to realize measures to contribute to sustainable community development through revitalization and minimal renovation of existing properties.

Pre-owned condominium sales*



Participation in the implementation of video conferencing for explanations for new tenants promoted by MLITT*



Reducing vacancies with minimum renovation for rental condominiums



Before

After

ESG

Efforts for ESG ~Social~

Contribute to society and fulfill our responsibility to create the future through our business activities

Creating a safe and secure trading environment



The GA Group aims to conduct highly transparent real estate transactions with technology, providing the following trading platforms and systems to improve market soundness

OHEYAGO

Property website with no listings for properties already concluded

OHEYAGO
オヘヤゴー

MORTGAGE GATEWAY

Loan screening platform to prevent data tampering

MORTGAGE GATEWAY by RENOSY

Contributing to society through sports



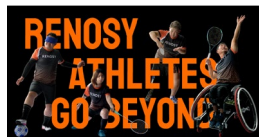
We support people who continue to challenge themselves to achieve their dreams in the field of sports by supporting professional sports teams, educational institutions, and hiring para-athletes. We also work to foster a sports culture within the company

Kawasaki Frontale top sponsor



Para-athlete employees

Sports Yell Company



Creating rewarding workplaces



Various systems and initiatives have been implemented to allow a diverse range of work styles and encourage active participation so that employees can work with pride and enthusiasm. Such efforts have been highly rated

Awarded 3.5 stars in the
Nikkei Smart Work Management Survey

Received an award in the
climate creation category at
the famione Conference

NIKKEI
Smart Work
★★★★ 2022



Efforts for ESG ～ Governance ～

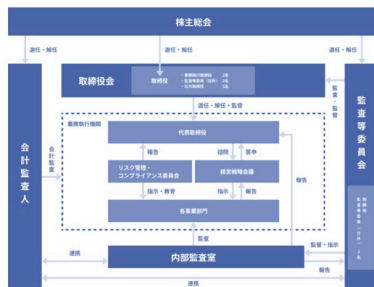
Creating new value through technology x innovation while managing with good governance

Building a governance system



In order to achieve sustainable development and maximize corporate value, the Group will carry out sound and transparent management that respects all stakeholders and will enable prompt and rational decision-making and business execution. We will strive to build an internal system. Compliance training and stuff also been conducted on a regular basis

Outline of the Company's Corporate Governance System



Strengthening governance in the security field



In addition to the existing governance system, a team in charge of incident response called GA-CSIRT (Computer Security Incident Response Team) has been established. Also strengthening its focus on cybersecurity



Efforts for ESG ~ Governance ~

Board of Directors based on Governance and Diversity



The majority are outside directors due to strengthened governance of the Board of Directors. Moreover, in view of the diversity of management and the globalization of economic activities, the Board is composed of directors who are diverse in terms of gender, nationality, and age, etc.

3 internal directors



**Ryo
Higuchi**

Managing Director,
Member of the Board
& CEO



**Fumio
Sakurai**

Vice President,
Member of the Board
& CSO



**Dai
Higuchi**

Member of the Board



**Ken
Kutaragi**

Outside Director



**Piotr Feliks
Grzywacz**

Outside Director



**Tomohisa
Matsuba**

Outside Director
(Auditory and supervisory
committee member)



**Toshiro
Kuwabara**

Outside Director
(Auditory and supervisory
committee member)



**Saori
Sato**

Outside Director
(Auditory and supervisory
committee member)

The company's loan screening and governance / compliance measures when entering into contracts

- 1. Separating the Sales and Finance Divisions and screening loans that do not pass through the Sales Division**
- 2. Linking information to prevent falsification when utilizing systems that do not involve human operation**
- 3. Implement training from in-house lawyers and those in business divisions working full-time in judicial affairs (grant licenses to those who complete the training)**
- 4. Property contracts by a specialist team that differs from those sales staff responsible for operations, with the condition that its members hold real estate licenses**
- 5. When entering into contracts, using third-party organizations to provide explanations and confirm levels of understanding**
- 6. Regular contact with owners (customers) regarding their concerns and to check their circumstances**

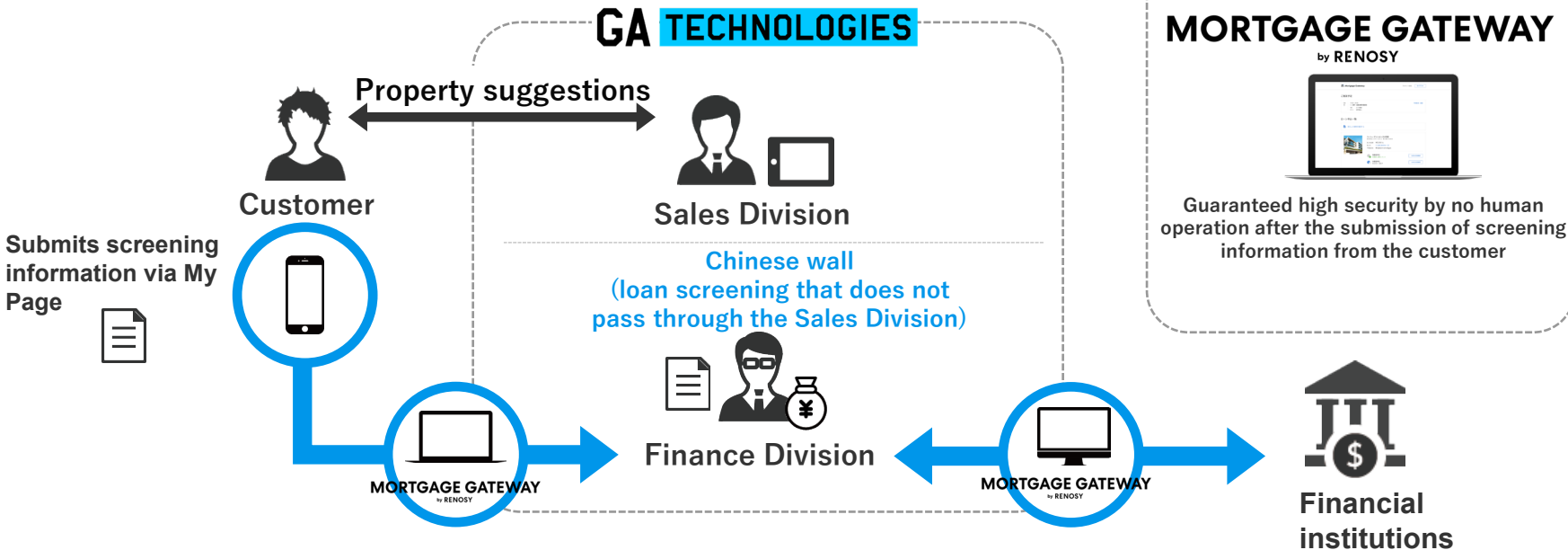
Response when supporting loan screening

①

Finance Division independent of Sales Division

②

Linking of information to prevent falsification in in-house development systems that do not involve human operation



Compliance measures and strengthening governance

③

Training for the Sales Division from in-house lawyers and those in business divisions working full-time in judicial affairs

Implemented once every 3 months



RENOSY License granted to those who complete the training



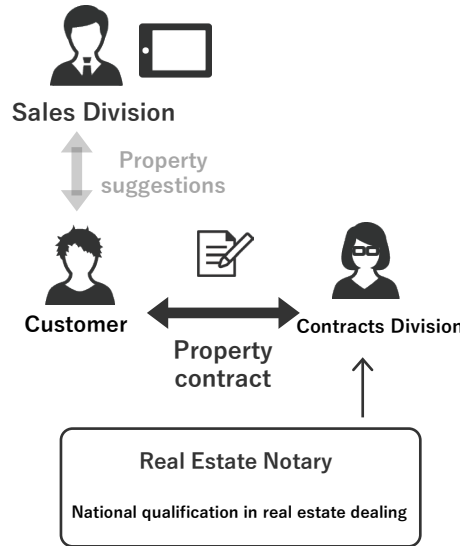
In addition, strengthening of training for Sales Division managers

Implemented once every 2 weeks

Also holding occasional compliance training

④

Property contracts by a specialist contracts team that differs from the Sales Division in that its members hold real estate licenses



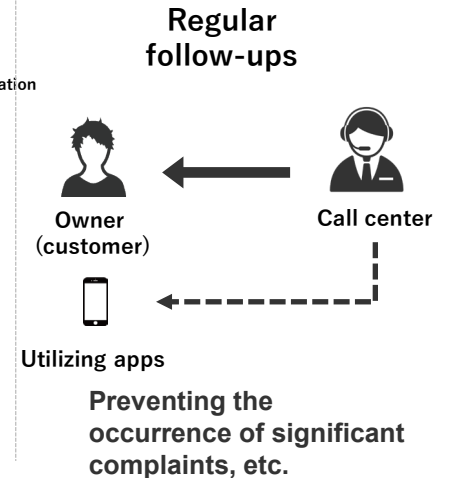
⑤

When entering into contracts, using third-party organizations to provide explanations and confirm levels of understanding



⑥

Regular contact (utilizing call centers and apps) with owners (customers) regarding their concerns and to check their circumstances



ESG data

■ Environment ^{*1,9)}

FY2022

Scope1 ^{*2}	0
Scope2 ^{*3}	384
Scope1,Scope2 total	384
Electricity consumption(kwh)	860,275
CO ₂ emissions per unit of production	420

■ Governance ^{*9)}

FY2022

Number of directors	8 people
Number of female directors	1 people
Ratio of Outside Directors	62.50%

■ Social ^{*9)}

FY2022

Number of Employees ^{*4}	1,169 people
Number of full-time employees ^{*5}	967 people
Number of non-full-time employees ^{*6}	202 people
Percentage of female employees	38.50%
Average age (full-time employees)	30.49 years old
Childcare leisure acquisition rate (by gender) ^{*7}	Male : 47.82% Female : 100.00%
job turnover rate ^{*8}	15.61%

Note :

*1) Calculation applies to Tokyo headquarters only *2) Scope1 is out of calculation *3) Scope 2 is carbon dioxide emissions from electricity use in offices. CO₂ factor : 0.000447t-CO₂/kWh. Results based on Location-based

*4) Consolidated (board members, full-time workers, part time workers , internships) *5) Consolidated (board members and full-time workers) *6) Consolidated(part-time, internships, contract employees) *7) Non-consolidated number of GA technologies

*8) Calculated by full-time employees *9)As of October 31, 2022

Appendix

Summary of income statement (Consolidated) (IFRS)

Steady growth in top line and profit led to an increase in both sales and income

YoY comparisons

	FY2023.10 2Q ①	FY2022.10 2Q ②	Amount of change (③=①-②)	Percentage of change (①/②-1)
Revenue	39,335	31,562	7,772	+ 25%
Gross Profit	6,208	4,444	1,764	+ 40%
Business Profit	1,452	881	571	+ 65%
Finance costs	165	174	△9	△5%
Operating Profit	876	500	376	+ 75%

Progress on forecast

(million yen)

FY2023.10 2Q Accumulative amount ④	FY2023.10 Earning Forecast⑤	Achievement rate (④ / ⑤)
63,411	145,500	44%
10,028	20,900	48%
910	1,600	57%
284	N/A	-
377	430	88%

Summary of balance sheet (Consolidated)(IFRS)

Total assets and total liabilities increased due to an increase in financial assets (rent receivables) and financial liabilities (accrued rent receivables purchase consideration) related to the NEO Income Plan and a temporary increase in real estate for sale prepared to implement self-trusts

	FY2023.10 2Q ①	FY2022.10 2Q ②	Amount of changes (①-②)	Percentage of change (①/②-1)	(million yen)
Total Assets	58,693	55,152	3,541	+6%	
Current assets	27,819	22,863	4,945	+22%	
(Cash and cash equivalents)	(12,820)	(11,842)	(978)	(+8%)	
(Real estate for sale)	(10,185)	(7,980)	(2,202)	(+28%)	
(Other financial assets)*1)	(2,319)	(982)	(1,337)	(+136%)	
Fixed assets	30,874	32,289	△1,414	△4%	
(Investment property)	(12,986)	(14,607)	(△1,621)	(△11%)	
(Goodwill)	(7,465)	(7,590)	(△125)	(△2%)	
(Intangible assets)	(3,997)	(3,582)	(415)	(+12%)	
(Right-to-use assets)	(2,146)	(2,426)	(△280)	(△12%)	
Liabilities	38,920	35,836	3,084	+9%	
(interest-bearing debt)	(29,860)	(29,206)	(653)	(+2%)	
(Other financial liabilities)*2)	(4,604)	(2,831)	(1,773)	(+63%)	
Net assets	19,773	19,316	457	+2%	
Total liabilities and net assets	58,693	55,152	3,541	+6%	

*1) Including financial assets for NEO income plans

*2) Including financial liabilities for NEO income plans

FY2023.10 Full year consolidated earnings forecast

While continuing to securely maintain profits, also aiming for high revenue growth in order to expand market share. From FY2023.10, business profit will replace operating income as the performance target measure for consolidated results

(million yen)		FY2022.10 (IFRS) ①	FY2023.10 Plan (IFRS) ②	YoY Amount of change ②-①	YoY *1) Percentage of change (②/①-1)
Consolidated	Revenue	113,569	145,500	31,931	+28.1%
	Gross Profit	16,519	20,900	4,381	+26.5%
	Segment Profit	1,033	1,600	567	+54.8%
	Profit attributable to owners of parent	395	430	35	+8.8%
RENOSY Marketplace	Revenue	110,843	142,000	31,157	+28.1%
	Gross Profit	14,482	18,200	3,718	+25.6%
	Segment Profit	4,947	5,950	1,003	+20.2%
ITANDI	Revenue	2,046	3,000	954	+46.6%
	Gross Profit	1,698	2,480	782	+46%
	Segment Profit	281	510	229	+81.4%

*1) Calculated based on the figures on the table FY2023.10 Plan ÷ FY2022.10 Actual -1

FY2023.10 Assumptions for the full-year consolidated earnings forecast

FY2023.10 Budget Assumptions (Top Line)

Overall	↗	Expansion of sales and market share except for new businesses, etc.
RENOSY Marketplace Online transactions	↗	Continue to expand sales by continuously increasing the market share. Maintain and enlarge commission fees by direct procurement from property owners through Seller DX and expansion of product lineup
RENOSY Marketplace Subscriptions	↗	Increase sales in proportion to the number of online transactions. Promote DX and improve profitability as a standalone business
RENOSY Marketplace Third party	→	Focus on achieving product market fit with a limited expansion of the top line
ITANDI SaaS for real estate agencies	↗	The core of ITANDI's profitability. Further increase the sales and aim for higher profit to fund growth investment
ITANDI SaaS for management companies	↗	Continue to prioritize expanding market share rather than short-term profits as still in investment phase. Likely to see profits in 1-2 years
New Business	↗	Establish business model by expanding and developing sales channels as still in business start-up phase

FY2023.10 Budget Assumptions (Cost)

Overall	↗	Increase personnel to grow sales, invest in existing and new businesses, and strengthen M&A strategy. Maximize the effectiveness of management resources and continue to avoid unnecessary costs through selection and focus
RENOSY Marketplace Online transactions	↗	Although there are costs to bear for market share expansion, such as by increasing sales personnel, continue to maintain the profit rate through the optimization of marketing, increasing of contract rate, etc.
RENOSY Marketplace Subscriptions	→	Although there are costs for increasing sales personnel and DX, profit rates are expected to rise
RENOSY Marketplace Third party	→	Positioned as the investment phase, not expecting a large profit contribution for the period. However, cost is to be controlled within a certain range
ITANDI SaaS for real estate agencies	↗	Increase personnel focusing on sales and CS to expand sales. Contribution to profit is expected in return to prior investment made up until the last period
ITANDI SaaS for management companies	↗	Increase personnel focusing on sales and CS to expand sales. Further increase prior investment to expand market share
New Business	↗	After setting certain rules, determine increase/decrease in personnel and investment amount according to business progress

Target of purchase DX (Buyers)

Even domestically, the TAM for Purchase DX target customers is large, with extensive scope for growth

Domestic Personal Targets

15.8^{*1)} million salaried workers

Annual income of
5 million yen +
15.8 million people

Annual income of
10 million yen +
2.4 million people

Annual income of
25 million yen+
145,000 people

Domestic Household Targets

Approximately **3.42**^{*2)} million
High-net-worth household

50 million yen +
3,418,000 households

100 million yen +
1.24 million
households

500 million yen +
87,000 households

*1) Source: National Tax Administration Agency, Results of the Private Sector Salary Survey, FY2020 data compiled by the Company.

*2) Source: Nomura Research Institute Research Number of households and asset size by net gold assets held in Japan in 2019 Data dated 21 December 2020

Target of seller DX (Sellers)

The number of our target properties within Japan is around 2.81 million units.
TAM expands every year when new property additions are taken into account

Domestic Targets of Seller DX

Total number of
condominiums nationwide

Approx. 6.859^{*1)}
million units



TAM

Our target
(Condominiums of up to 50m²)

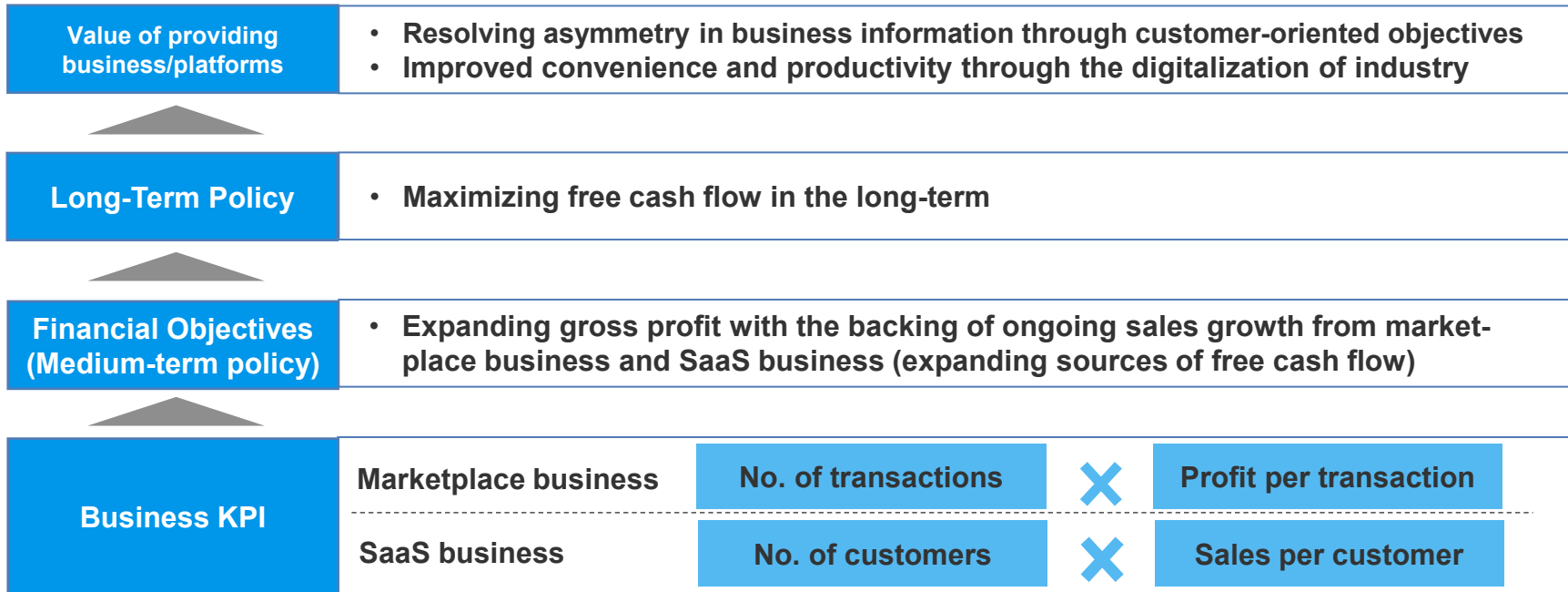
Approx. 2.81^{*1)}
million units



*1) Calculated from the "FY2018 combined survey of condominiums, results data edition", MLIT: https://www.mlit.go.jp/jutakukentiku/house/jutakukentiku_house_tk5_000058.html and "Trends in sizes of pre-owned condominiums under sole ownership, June 2016", Mitsui Sumitomo Fudosan: https://smtrc.jp/useful/knowledge/market/2016_06.html

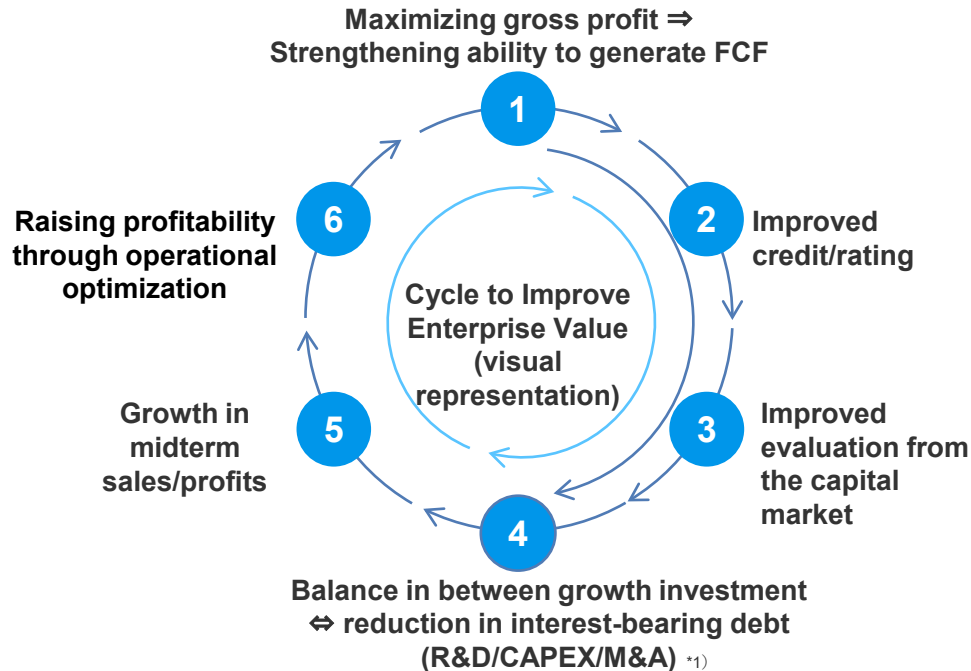
Strategy to maximize the enterprise value (1/2)

With the maximizing of free cash flow in the long-term as our management objective, in the medium-term, we are aiming to maximize gross profit through improved value, with marketplace business and SaaS business as focal points



Strategy to maximize the enterprise value (2/2)

Generate a cycle to improve enterprise value by aiming to maximize gross profit



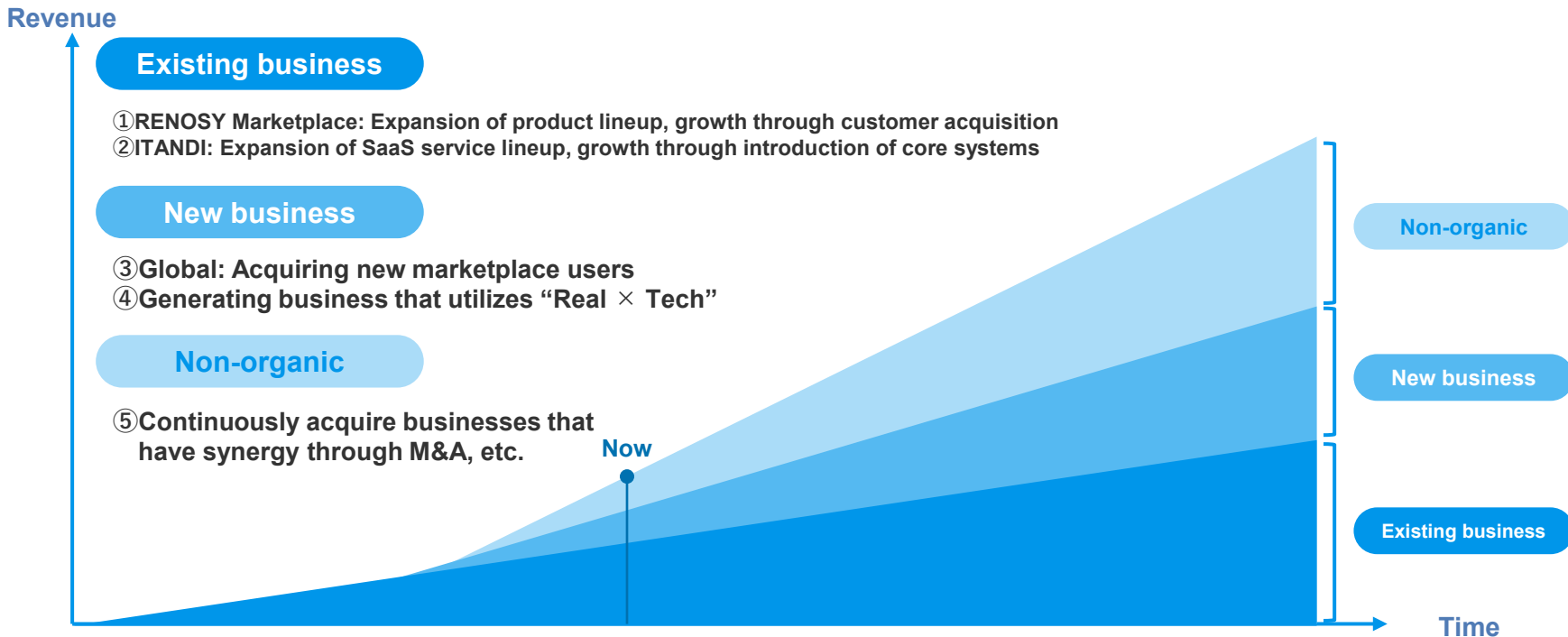
Cycle of enterprise value improvement

- Strengthening the ability to generate Free cash Flow (FCF) through expansion of user base and growth in gross profit
- Raising profitability level through operational optimization
- Further expansion of gross profit through reinvestment of profits generated

*1) R&D (Research and Development)
CAPEX (Capital Expenditure): Capital expenditures to maintain and enhance asset value
M&A (Mergers and Acquisitions)

Medium / Long term growth strategy

In the short-term, we will undertake aggressive growth investment to maximize returns from strengthened profitability in existing business. In the medium-to-long-term, we will continuously focus on non-organic growth through M&A as well as working on new business to generate new value

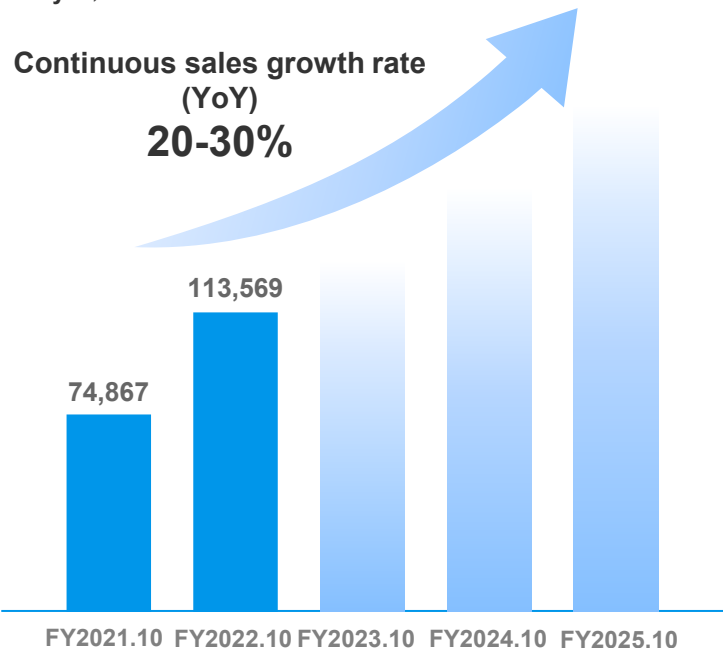


Consolidated Revenue / Gross profit objectives

Expanding business while balancing growth in both top line and profits

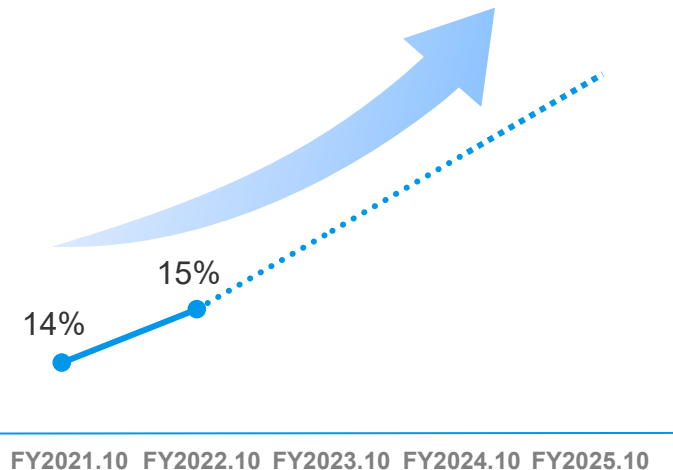
Consolidated Revenue

(million yen)



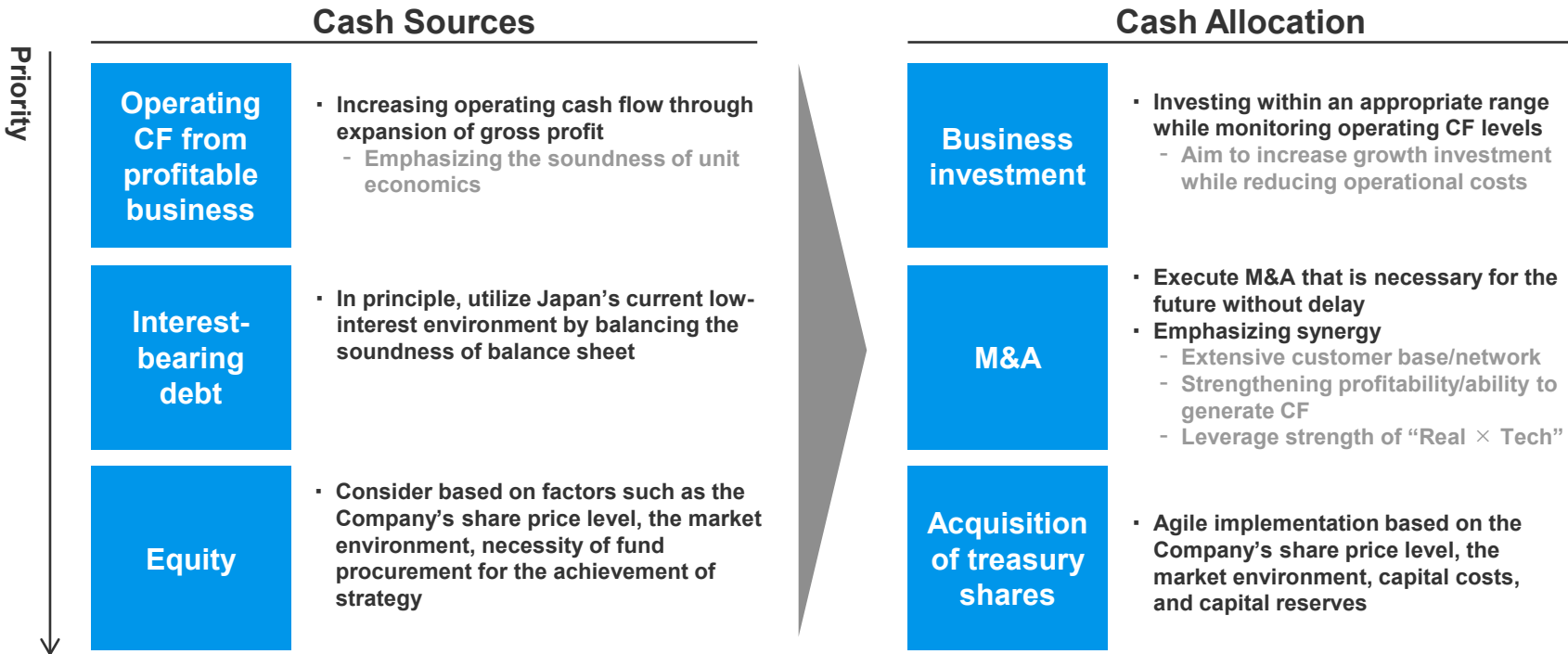
Consolidated Gross Profit Ratio

Aim to achieve **20%** for consolidated gross profit ratio in the future



Disciplined capital allocation

We will aggressively invest our cash sources, such as operating cash flow(CF) and interest-bearing debt, primarily on business investment and M&A to accelerate our growth



Shareholder return policy

We consider long-term increase of share price is essential that we prioritize the most on revenue growth to maximize future cash flow. Thus, in the short-term, we will not undertake shareholder return in the form of dividends

Capital gain
(Profit from higher share price)

Aiming for a long-term increase of share price by maximizing revenue and gross profit

+

Income gain
(Dividend profit)

In the short-term, we will not undertake shareholder return in the form of dividends but possibility to consider in the future

||

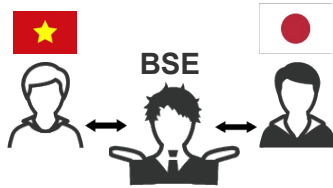
TSR
(Total Shareholders Return)

Profitability ratio from equity investment
Dividend + Capital gain

Enhancement of measures to recruit

Implementing distinctive and unique measures to recruit superior personnel

Offshore development at Vietnam



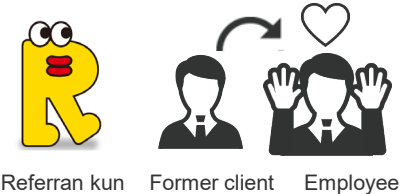
Offshore development in Vietnam, which has a large number of highly-skilled IT personnel. Train bridge SEs in-house to reduce mis-communication. Gain cost and speed benefits

Bootcamp for newly recruited graduate engineers



8-12 months of programming and other technical training for new graduates who have been offered engineering positions, prior to joining the company. Train engineers who will be immediately effective when joining the company, such as in the development of web applications required on site

Referral & Customer recruitment



Strengthening recruitment via referral has resulted more than 250 employees joining the company through the introduction of employees
In total, more than 100 customers who were attracted to the business and its growth potential have joined the company, attracting top talent through distinctive and unique recruitment channels

The team driving our technology

The team leading the way in solving real estate issues with technology, improving productivity and convenience in all real estate operations, and achieving technology-driven corporate growth



**Shinpei
Noguchi**

COO
(CEO of ITANDI)

A graduate of Waseda University, he won a business contest organized by the university and gained work experience while still attending university.

After graduating, he established his second company, a web media company, and later sold it to a listed company. Joined ITANDI from the early stage, launched media business and SaaS, became CEO and committed to the revenue expansion.

- 2014 Joined ITANDI as executive officer
- 2018 Appointed as representative director of ITANDI
Appointed as executive officer of the Company
- 2019 Appointed as Chief Product Officer (CPO)
- 2021 Appointed as Chief Operating Officer (COO)



**Hiroshi
Tabuki**

CMO of RENOSY

Joined Imagineer after graduating from Meiji University.

Worked in planning and marketing. Engaged in business development and management at Kakaku.com. Served as marketing executive at an IT startup company. Had been working on the planning and the development of RENOSY Marketplace's system as well as the semi-auto system for the purpose of improving customer engagement at GA technologies.

- 2018 Joined the Company
Responsible for Product Planning and Marketing Division
- 2020 Appointed as Chief Marketing Officer (CMO)



Akira Endo

CTO of RENOSY

After graduating from Gakushuin University, he joined a leading securities system development company.

He served as the chief technology officer of a venture company specializing in reunion services. Later, he joined GungHo Online Entertainment and worked in system development. Had been working on the development and the operation of CRM, SFA that are assisting to improve the work efficiency of the sales at GA technologies.

- 2018 Joined the Company
Responsible for new graduate engineer training team
- 2020 Appointed as executive officer (CDO)
- 2021 Appointed as Chief Technology Officer (CTO)



**Hirohisa
Inamoto**

CAIO

Joined Ricoh after completing graduate school at Osaka University.

Engaged in R&D on image processing and recognition technology. In charge of launch of "theta360.biz" virtual reality service for real estate.

After joining GA technologies, developed floor plan auto description system by using AI and introduced AI/RPA to our procurement operation process.

- 2017 Joined the Company
Developed real estate service automation system utilizing AI/RPA.
- 2019 Appointed as Chief AI Officer (CAIO)
Appointed as Head of AI Strategy Center

Appendix













List of indicator definitions and notes

Items	Definition and calculation (ITANDI)
Unit Economics	Multiple of CLV divided by CAC over the last 12 months. Unit : Multiple
LTV (Lifetime Value)	Monthly gross profit (including Lifeline Services Revenue), divided by the average churn rate over the last 12 months. Unit : JPY
CAC (Customer Acquisition Cost)	Historical 12-month average /Includes sales personnel costs, planning. Public relations/marketing costs, advertising costs, and onboarding personnel costs. Unit : JYP
CAC Payback Period	CAC divided by single month gross profit per customer. Unit: Months
Notes	Contents
Real Estate Companies	*1) Source: Real Estate Transaction Improvement Organization "Statistics on Registered Real-Estate Broker at the End of Fiscal Year 2021"
No. of Target properties	*2) Calculated from : Ministry of Land, Infrastructure, Transport and Tourism Survey Results of the Comprehensive Condominium Survey for FY 2008 Data Edition : https://www.mlit.go.jp/jutakukentiku/house/jutakukentiku_house_tk5_000058.html Sumitomo Mitsui Fudosan Used Condominium Exclusive Area Trends June 2016 : https://smtrc.jp/useful/knowledge/market/2016_06.html
No. of properties held by RENOSY owners	*3) As of January 31 2023 Number of properties held by RENOSY owners
No.1 in real estate investment	*4) Survey subjects: Top five companies in Japan undertaking sales of condominiums for investment purposes./Survey items: Sales and number of units for pre-owned condominiums for investment use, as listed in fiscal year reports of savings for each company./Survey method: Along with desk-based research, a hearing-based survey of related companies, etc./Survey period: The most recent fiscal year for each company./Survey company: Tokyo Shokko Research, Ltd.
Annual income of 5 million yen+	*5) Source: National Tax Administration Agency, Results of the Private Sector Salary Survey, FY2020 data compiled by the Company.
Financial assets of 50 million yen+	*6) Source: Nomura Research Institute Research Number of households and asset size by net gold assets held in Japan in 2019 Data dated 21 December 2020
RENOSY members	*7) As of January 31 2023 Number of RENOSY members
No. 1 in brokerage firm use of electronic tenant application service/electronic contracting service	*8) Leasing Management Consulting K.K., "Survey on the Impact of the New Corona Virus on the Rental Real Estate Market during the 2023 Moving Season (January-March)": (2023/01/24) n=405
No. of managing house	*9) Totals from the 2016 Economic Census for Business Activity survey results, Ministry of Internal Affairs and Communications/Ministry of Economy, Trade and Industry
No. of rental agency contracts annually	*10) REAN JAPAN Market Report ~ 1st Edition_2020_1224 https://rean-japan.jp/images/REAN-JAPAN-Market-Report%E7%AC%AC1%E7%89%88_2020_1224.pdf?20201223

Appendix

List of group companies



		% of shareholding	Date of M&A/establishment *1)	Business Activities
	ITANDI ITANDI, Inc.	100%	2018.11	Provides ITANDI BB+ SaaS series for rental companies, ITANDI BB website for real estate agents, and "OHEYAGO" B-to-C online real estate rental service.
	RENOSY + RENOSY PLUS Co., Ltd.	100%	2020.1	Provides luxury rental brokerage services on the online real estate marketplace RENOSY
	RENOSY FINANCE RENOSY FINANCE Inc.	100%	2018.11 Established	Provide a one-stop lending service for renovation expenses for real estate owners.
	RENOSY X RENOSY X Co., Ltd.	100%	2019.11 Established	Development/operation of mortgage loan application platform service "MORTGAGE GATEWAY", etc.
	RENOSY ASSET MANAGEMENT ³⁾ RENOSY ASSET MANAGEMENT Co., Ltd.	100%	2018.11	Provide a variety of management plans for property owners on a subscription basis (flat-rate use)
	Shenjumiastosuan Co., Ltd.	100%	2020.9	Operate Shenjumiastosuan Co., Ltd., a platform for matching investors in Greater China with real estate in Japan
	GA technologies (Shanghai) Co., Ltd	100%	2020.9	Providing technical services, technical development, technical consulting, etc. in the areas of information technology and computer technology
	Partners Co., Ltd.	100%	2021.6	Provides real estate sales DX services on the online real estate marketplace "RENOSY".
	Ricordi Co., Ltd.	100%	2022.3	Provide services utilizing new compact-size condos
	RENOSY Thailand RENOSY(Thailand) Co.,Ltd.	100% ⁴⁾	2022.5	Operate "dearlife", a rental platform for expatriates in Thailand
	MtechA Inc.	100%	2022.8.1 Established	Provide MtechA, an M&A brokerage DX service leveraging AI and other technologies
	Dangonet Co.,Ltd.	100%	2022.9	Development and operation of "Rental Meijin", the core software for rental management operations

*1) M&A period for those not listed as establishment *2) Company name changed from "Modern Standard Co., Ltd." on April 1, 2022 *

*3) Company name changed from Regal Lease Guarantee Corporation to RENOSY ASSET MANAGEMENT Corporation in May 2020

*4) 100% of voting rights are indirectly held by the Company

Company overview

Established	March 12, 2013
Head Office	40F Sumitomo Fudosan Roppongi Grand Tower, 3-2-1 Roppongi, Minato-ku, Tokyo
Capital	7,261,734,937 Yen (April 30, 2022)
Number of employees*1	1,069 (April 30, 2023)
Business Description	<ul style="list-style-type: none"> • Development and operation of the online real estate investment service brand RENOSY • Development of SaaS type of BtoB PropTech products
Directors	<p>President, CEO and Representative Director: Ryo Higuchi</p> <p>Vice President, CSO and Member of the Board: Fumio Sakurai</p> <p>Member of the Board: Dai Higuchi</p> <p>Outside Director: Ken Kutaragi, Piotr Feliks Grzywacz</p> <p>Director, Audit & Supervisory Committee Member: Tomohisa Matsuba (outside), Toshiro Kuwabara (outside), Saori Sato (outside)</p>

*1) Excluding officers, contract employee, part-time workers, and interns at consolidated subsidiaries.

Disclaimer

This material contains forward-looking statements, which are based on current expectations, forecasts and assumptions that involve risks.

These forward-looking statements contain uncertainties, and actual results may differ substantially from these statements.

These risks and uncertainties include general industry and market conditions as well as Japanese and international economic conditions such as changes in interest rates and exchange rates.

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