

# GA

FY2023.10 3Q

# Financial Results

September 14, 2023 (Securities code: 3491)

**GA** TECHNOLOGIES

## Our Ambition

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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.

## Table of contents

<b>Our business model</b>	<b>P4</b>
<b>FY2023.10 3Q Revisions to the full-year earnings forecast</b>	<b>P9</b>
<b>Structural reform for sustainable growth ~Reform and Growth~</b>	<b>P12</b>
<b>FY2023.10 3Q Results</b>	<b>P19</b>
<b>Topics by business segment</b>	<b>P46</b>
<b>Financial strategy</b>	<b>P73</b>
<b>ESG</b>	<b>P82</b>
<b>Appendix</b>	<b>P93</b>

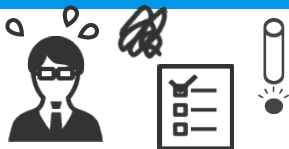
# Our business model

Our business model

# WHY : The issues we are tackling and the value proposition

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

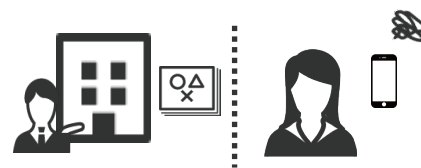
Low productivity due to analog process



Poor user experience



Information asymmetry



Solving the challenges of each industry/sector with DX to deliver a transparent and seamless CX

**RENOSY**



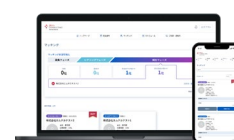
**ITANDI BB**  
**ITANDI BB+**



**OHEYA GO**  
オヘヤゴ



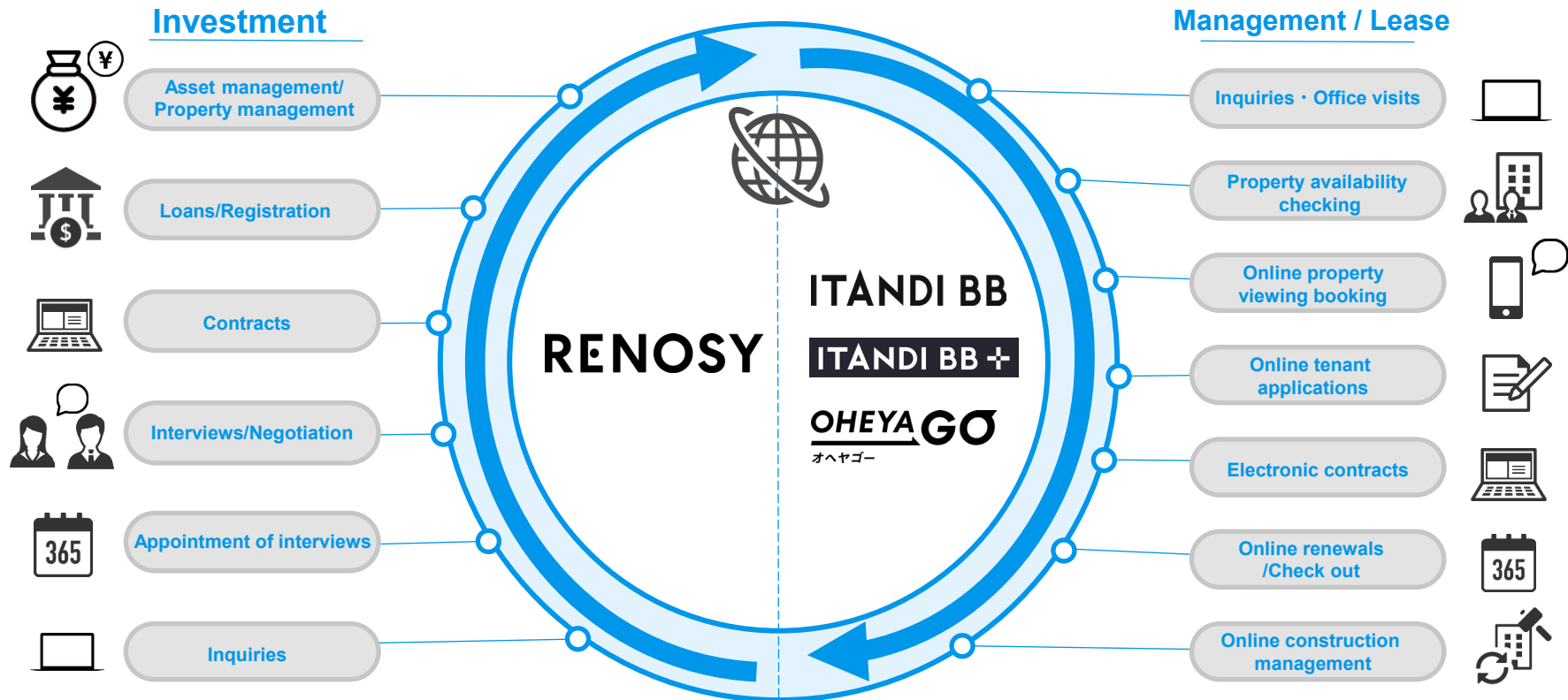
**SPICA**  
CONSULTING



Our business model

# WHAT: Our problem-solving initiatives

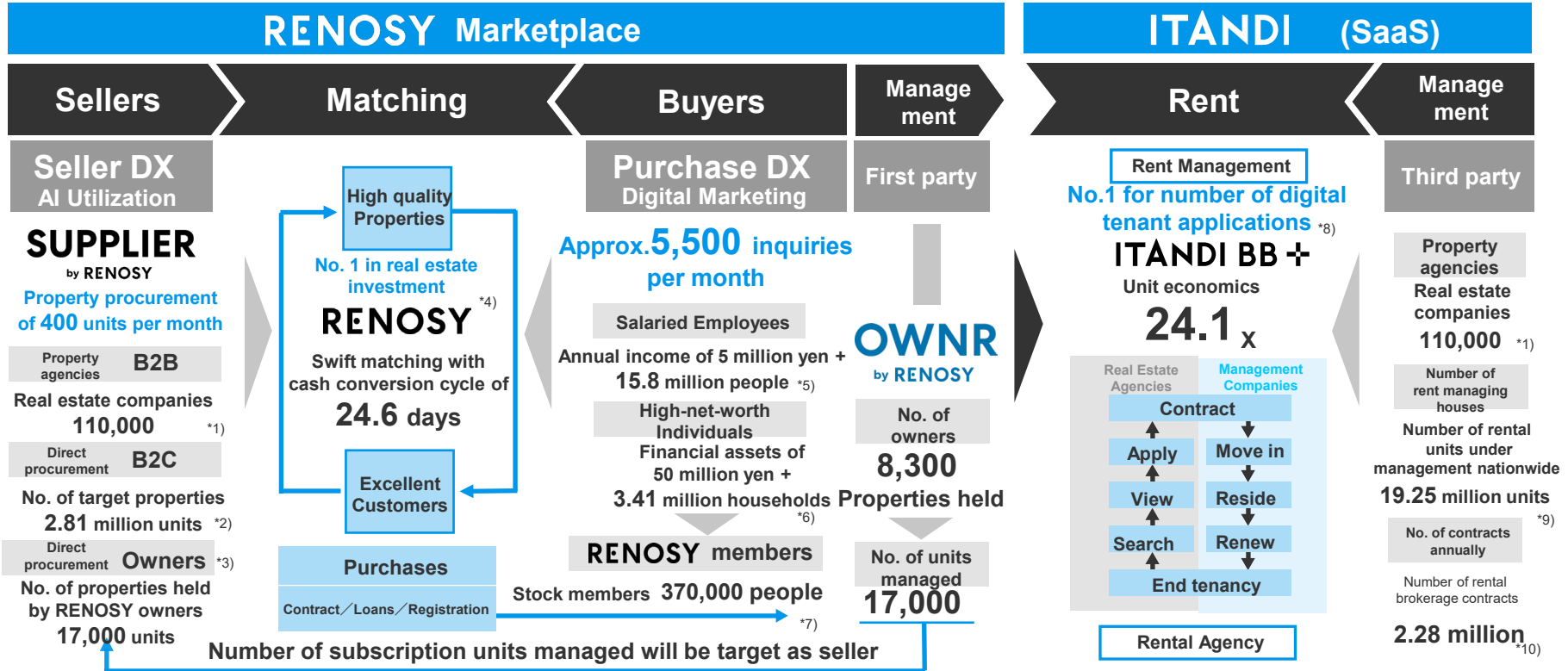
## Providing end-to-end services online



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	
<b>RENOSY</b> Market- place	<b>Online Transactions</b>	<p>▶ <b>Online real estate investment service</b></p> <ul style="list-style-type: none"> <li>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</li> </ul>	<b>RENOSY</b>
	<b>Subscriptions</b>	<p>▶ <b>Property management (asset management)</b></p> <ul style="list-style-type: none"> <li>Offering multiple plans with subscriptions for a service that protects asset value</li> </ul>	
	<b>Third party services</b>	<p>▶ <b>Third-party use of RENOSY</b></p> <ul style="list-style-type: none"> <li>Making RENOSY media available for use by third-party companies and providing them with media use and a service for customer introductions</li> </ul>	
<b>ITANDI</b>	<b>SaaS</b>	<p>▶ <b>Vertical SaaS for real estate companies</b></p> <ul style="list-style-type: none"> <li>Offering a streamlined system to real estate companies (mainly rental management companies and real estate agencies) through initial, monthly, and pay-as-you-go fees</li> </ul>	<b>ITANDI BB+</b>
	<b>B2B Marketplace</b>	<p>▶ <b>Inter-agency website for real estate companies</b></p> <ul style="list-style-type: none"> <li>Providing a real-time inter-agency website as a B2B marketplace</li> </ul>	<b>ITANDI BB</b> <small>イタンディ ビービー</small>
	<b>B2C Marketplace</b>	<p>▶ <b>Online real estate rental service</b></p> <ul style="list-style-type: none"> <li>Offering a rental website as a B2C marketplace with a revenue model based on commissions for each contract, etc.</li> </ul>	<b>OHEYA GO</b> <small>オヘヤゴー</small>



# **FY2023.10 3Q Revisions to the full-year earnings forecast**

FY2023.10 3Q Revisions to the full-year earnings forecast

# FY2023.10 Revisions to the full-year results earnings forecast

Raised forecasts for gross profit, business profit and profit for the period <sup>\*3)</sup>

Gross profit achieved the initial forecast by 3Q, business profit is expected to reach a record high of 2.15 billion yen

## Business profit

Upward revision

**+34%** (million yen)

**2,150**

An increase of

**550**

million yen

**1,600**

FY2023.10 Initial earnings forecast  
FY2023.10 Earnings forecast revision

(million yen)		FY2022.10 <sup>*1)</sup> (IFRS) ①	FY2023.10 Initial earnings forecast (IFRS) ②	FY2023.10 3Q After earnings forecast revision (IFRS) ③	YoY changes <sup>*2)</sup> after earnings forecast revision (③/①-1)	Changes from <sup>*2)</sup> initial earnings forecast (③/②-1)
Consolidated	Revenue	113,569	+145,500	145,500	+28.1%	+0.0%
	Gross Profit	16,519	20,900	21,800	+32.0%	+4.3%
	Business Profit	1,022	1,600	2,150	+110.4%	+34.4%
	Profit for the period <sup>*3)</sup>	386	430	940	+143.5%	+118.6%
RENOSY Marketplace	Revenue	110,843	142,000	142,000	+28.1%	+0.0%
	Gross Profit	14,482	18,200	19,000	+31.2%	+4.4%
	Segment Profit	4,947	5,950	6,120	+23.7%	+2.9%
ITANDI	Revenue	2,046	3,000	3,150	+54.0%	+5.0%
	Gross Profit	1,698	2,480	2,630	+54.9%	+6.0%
	Segment Profit	281	510	700	+149.1%	+37.3%

<sup>\*1)</sup> For the second quarter of the fiscal year ending October 31, 2023, the Company is finalizing the provisional accounting treatment for the business combination, and each figure for the fiscal year ending October 31st, 2022, reflects the details of the finalization of the provisional accounting treatment

<sup>\*2)</sup> Calculated based on the figures on the table

<sup>\*3)</sup> Profit for the period refers to profit attributable to owners of parent

FY2023.10 3Q Revisions to the full-year earnings forecast

# FY2023.10 Reasons for revisions to the full-year results earnings forecast

RENOSY Marketplace business and ITANDI business both performed favorably,  
and profit structure reform was effective

## RENOSY Marketplace

Successful measures to improve commissions and expansion of recurring revenue business

### (1) Online Transactions commission improvement measures

- Strengthened direct procurement from owners through Seller DX
- Expansion of product lineup

### (2) Growth of subscriptions

- Advantage of scale due to increase in number of units managed
- Provision of multiple plans and improvement of operational efficiency through use of DX

## ITANDI

Increase in number of new companies acquired due to ITANDI's growing presence

### (1) Large market share and high evaluation of ITANDI BB+

- Number 1 in the industry for electronic tenant applications and electronic contracts \*1)
- High evaluation among real estate agencies \*2)

### (2) Expansion of revenue driven by growth in number of companies using service

- Leveraging the strength of vertical SaaS to accelerate number of companies using service
- Increase in products used through cross-selling

## Profit structure reform

Withdrawal from unprofitable businesses, selection and concentration of businesses, and reduction of SG&A expenses

### (1) Selection and concentration of businesses

- Withdrawal from unprofitable businesses and concentration of resources on RENOSY and ITANDI

### (2) Control of SG&A expenses

- Allocation of human resources in consideration of optimal human resources portfolio (transfers within the company) and reduction of personnel expenses through DX
- Consolidation of corporate functions

\*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 [Valid responses] 145

# **Structural reform for sustainable growth**

## **~Reform and Growth~**

# Structural reform for sustainable growth

Since the downward revision of forecasts for FY2021.10, we have implemented structural reforms based on the following 4 key points



## Business model

- Increase ratio of recurring revenue to improve the stability of revenue and strengthen business foundation and transform revenue structure
- Realize synergy with companies which have joined the Group through M&A and strengthen M&A activities which will lead to sustainable business growth
- Implement advertising expense distribution equalization/operational improvement measures aimed at reducing the volatility of quarterly performance



## Business management

- Formulate medium-to-long-term business strategies for key businesses, systematically establish budgets, and develop a strict performance management framework
- Develop a framework for ensuring weekly KPI management and understanding progress towards performance targets, including group companies, in a timely manner
- Formulate financial strategies and introduce management indicators for financial soundness, and achieve business growth with financial discipline



## Organization/Management team

- Fully transition to business division structure with the aim of speeding up decisions on Group business operations
- Change the nature of management meetings (identify and prioritize management issues, visualize KPIs through the use of technology)
- Strengthen management framework by hiring talented human resources with high levels of expertise and experience in various domains



## Governance/ Compliance

- Strengthen governance with a Board of Directors with a majority of Outside Directors and achieve a diverse board composition
- Strengthen compliance on an ongoing basis through the development of mechanisms for preventing dishonest practices, the provision of compliance training, and other measures

# Business model

Carry out structural reform of existing businesses to develop a framework for achieving stable and continuous growth

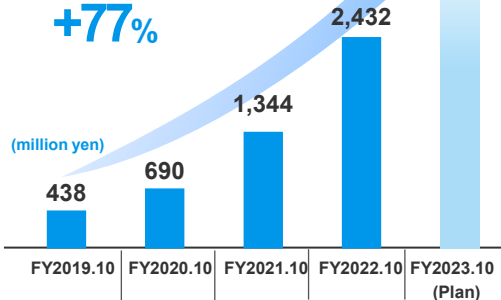


- Increase ratio of recurring revenue to improve the stability of revenue and strengthen business foundation and transform revenue structure
- Realize synergy with companies which have joined the Group through M&A and strengthen M&A activities which will lead to sustainable business growth
- Implement advertising expense distribution equalization/operational improvement measures aimed at reducing the volatility of quarterly performance

## Improvement of gross profit of recurring revenue businesses

Trend of gross profit in recurring revenue businesses

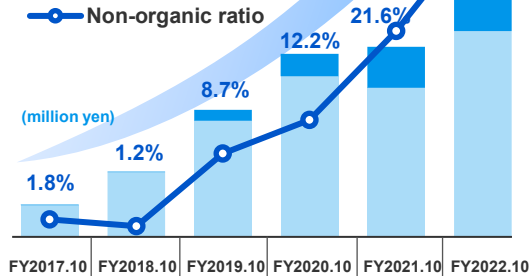
CAGR (FY2019~FY2022)  
**+77%**



## Non-organic growth through M&A

Non-organic gross profit **32.9%**

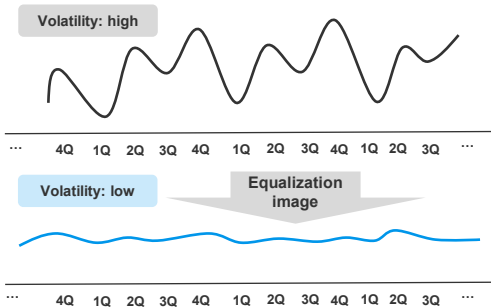
CAGR (FY2017~FY2022)  
**+180%**



## Measures to equalize quarterly performance

Achievement of equalization of revenue for stable growth

- ✓Equalization of advertising expense distribution
- ✓Improvement of operations



# Business management

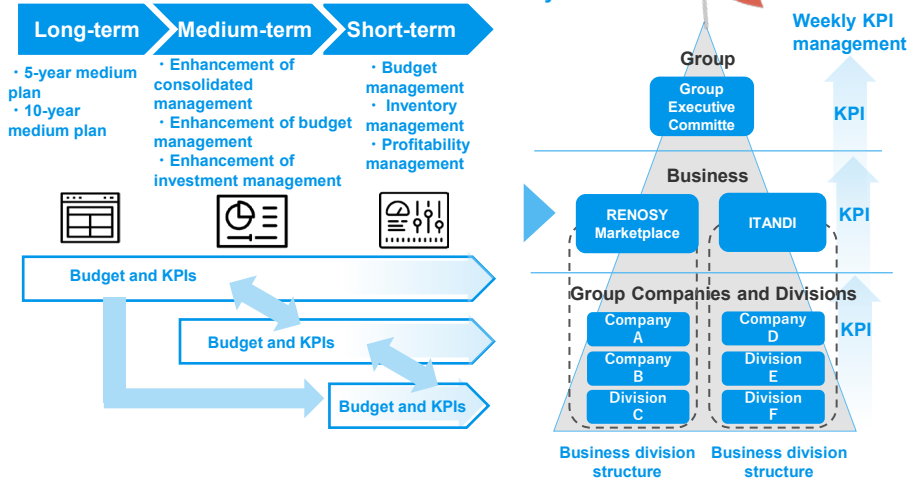
Establish a systematic budgeting and strict performance management system based on medium-to-long-term business strategies and achieve business growth with financial discipline



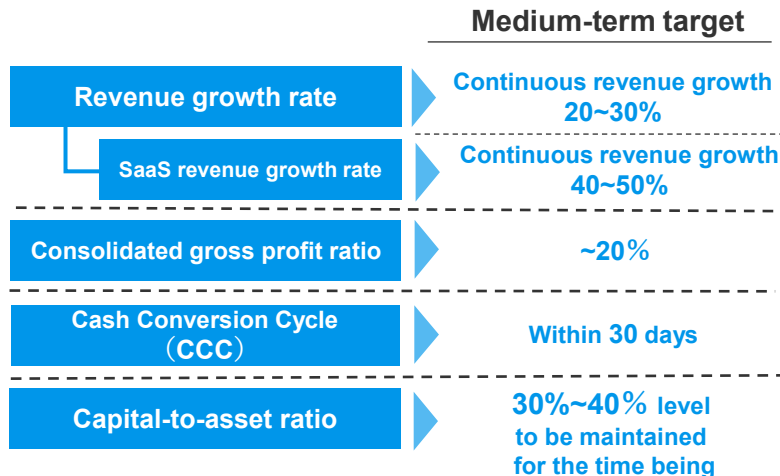
- Formulate medium-to-long-term business strategies for key businesses, systematically establish budgets, and develop a strict performance management framework
- Develop a framework for ensuring weekly KPI management and understanding progress towards performance targets, including group companies, in a timely manner
- Formulate financial strategies and introduce management indicators for financial soundness, and achieve business growth with financial discipline

## Development of a framework for weekly KPI management linked to medium-to-long-term strategies

Medium-to-long-term strategies are turned into yearly budgets and KPIs and frontline personnel manage KPIs on a weekly basis



## Formulation of financial strategy and setting and management of financial stability indicators



Structural reform for sustainable growth ~ Reform and Growth ~

# Organization/ Management team

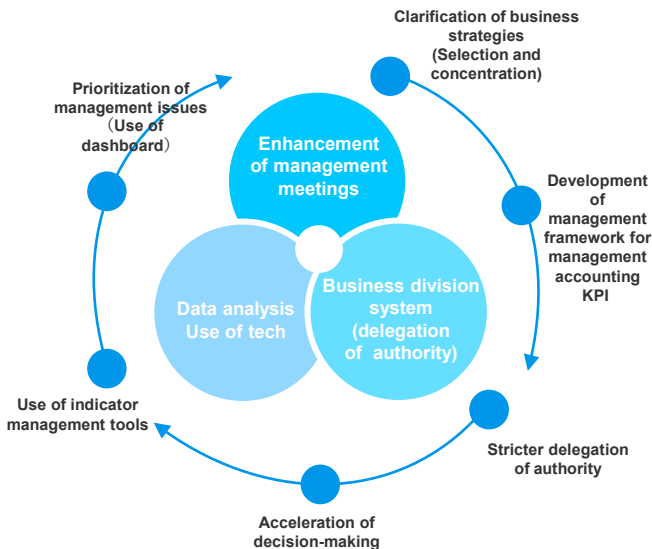
## Attracting experienced talents to support business transformation



- Fully transition to business division structure with the aim of speeding up decisions on Group business operations
- Change the nature of management meetings (identify and prioritize management issues, visualize KPIs through the use of technology)
- Strengthen management framework by hiring talented human resources with high levels of expertise and experience in various domains

### Strengthening of business management structure

### Strengthening of management structure through the recruitment of human resources with strong track records in various domains



#### Overall business management/ Online banking, Securitization

Director Vice President and Executive Officer,  
CSO



Fumio Sakurai

40 years' experience working in the real estate industry and outstanding business management knowledge

- 2022: Director, Vice-President and CSO, GA technologies
- 2018: Director and Senior Managing Executive Officer, Mitsui Fudosan Realty Co., Ltd.
- 2011: Director and Managing Executive Officer, Mitsui Real Estate Sales Co., Ltd.
- 2003: Executive Officer and General Manager, Corporate Planning Division, Mitsui Real Estate Sales Co., Ltd.
- 2000: General Manager, Corporate Planning Office, Corporate Management Division, Mitsui Real Estate Sales Co., Ltd. and President and Representative, Realty Infomedia Co., Ltd.
- 1982: Mitsui Real Estate Sales Co., Ltd. (now Mitsui Fudosan Realty Co., Ltd.)

#### Financial strategy/ M&A/ Funding/ Management accounting

Executive Officer, CFO



Yuichi Fujikawa

Established career in the financial industry and has a extensive knowledge of M&A and funding from capital markets

- 2022: Executive Officer and CFO, GA technologies
- 2019: M&A Advisory and Funding, **Goldman Sachs Japan Co., Ltd.**
- 2018: Planning, HR Department, **Mitsubishi UFJ Financial Group**
- 2012: Investment Banking Division, **Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.**
- 2006: Corporate Sales, **MUFG Bank, Ltd.**

#### Management and improvement of business operations

Executive Officer, General Manager of  
CEO Office



Masayuki Sato

Responsible for procurement and distribution at Amazon Japan in the early days, helping drive growth to a \$1 trillion dollar company

- 2023: Executive Officer and Head of CEO Office, GA technologies
- 2010: Head of Fulfillment Center Operations Coordination Division, Amazon Japan G.K.
- 2000: In charge of supply chain, **Amazon Japan G.K.**
- 1999: In charge of software production and logistics, **Sega of America, Inc.**
- 1994: Sega Enterprises, Ltd. (now **Sega Corporation**)



Structural Reform for Sustainable Growth~Reform and Growth~

# Governance/ Compliance

## Enforcement of solid corporate governance framework and implementation of continuous strengthening of compliance



### Governance/ Compliance

- Strengthen governance with a Board of Directors with a majority of Outside Directors and achieve a diverse board composition
- Strengthen compliance on an ongoing basis through the development of mechanisms for preventing dishonest practices, the provision of compliance training, and other measures

### Composition of Board of Directors for effective corporate governance

Selection of diverse members with the aim of having a majority of outside Directors and a diverse board

#### ◆ Three Internal Directors



**Ryo Higuchi**  
Managing Director,  
Member of the Board  
& CEO



**Fumio Sakurai**  
Director Vice  
President and  
Executive Officer  
& CSO



**Dai Higuchi**  
Director and  
Managing  
Executive Officer

- Majority of Outside Directors (62.5%)
- Female
- Foreign national
- Wide range of ages

#### ◆ Five Outside Directors



**Ken Kutaragi**  
Outside Director



**Piotr Feliks  
Grywacz**  
Outside Director



**Tomohisa Matsuba**  
Outside Director  
(Auditory and  
Supervisory  
Committee member)



**Toshiro Kuwahara**  
Outside Director  
(Auditory and  
Supervisory  
Committee member)



**Saori Sato**  
Outside Director  
(Auditory and  
Supervisory  
Committee member)

### Strengthening of compliance through development of mechanisms to prevent dishonest practices

#### ① Provision of compliance training

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

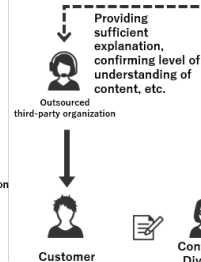
#### ② Separation of sales and contract divisions

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



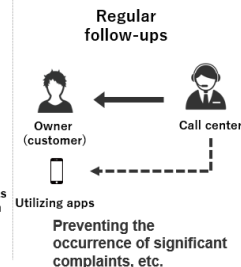
#### ③ Checks by third-party institutions

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



#### ④ Regular contact

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

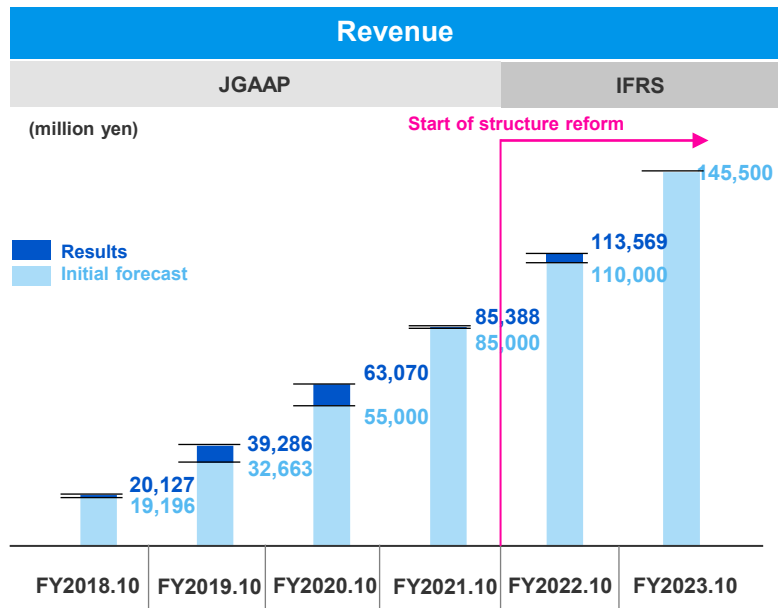


Structural Reform for Sustainable Growth~Reform and Growth~

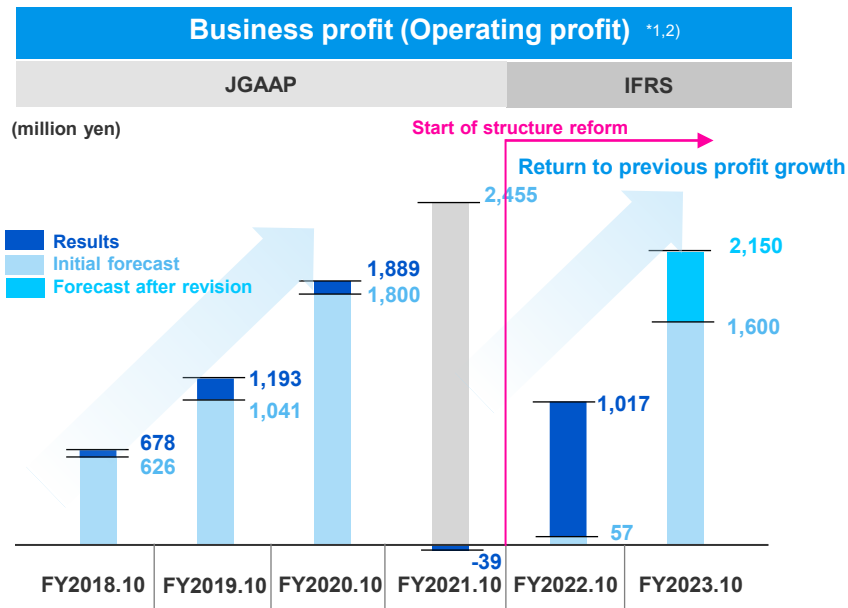
## Results of structure reforms

Since FY2022.10 after starting the structure reform, the profit outcome has significantly exceeded initial forecasts

Exceeding forecasts for  
**five consecutive years** since listing



Profit **has significantly exceeded**  
forecasts since FY2022.10



\*1) The figures for fiscal years up to and including FY2021.10 are Japanese GAAP operating profit, the figure for FY2022.10 is IFRS operating profit, and the figure for FY2023.10 is IFRS business profit

\*2) For the second quarter of the fiscal year ending October 31, 2023, the Company is finalizing the provisional accounting treatment for the business combination, and each figure for the fiscal year ending October 31st, 2022, reflects the details of the finalization of the provisional accounting treatment

# FY2023.10 3Q Results

## FY2023.10 3Q Business highlights

### Consolidated financial results summary

- Progress toward the revenue forecast was **in line with projections**. Profit forecasts were revised upward in light of the strong growth of earnings of both businesses
- Business profit <sup>\*1)</sup> was 1.6 billion yen, progress of 75% toward full-year forecast and an increase of 128% YoY, **due to the effect of the profit structure reform**
- Profit for the period<sup>\*2)</sup> **grew significantly**, reaching 620 million yen, an increase of 287% YoY

### RENOSY financial results summary

- Revenue progress was **in line with projections**, due to the steady acquisition of RENOSY members, among other factors
- We **raised our forecasts** for gross profit and segment profit due to factors such as the success of commission improvement measures and strong progress with subscriptions. The gross profit margin also remained high at 14.2%

### ITANDI financial results summary

- We **raised our forecasts** for revenue, gross profit, and segment profit due to continued robust business demands and the network effect, among other factors
- Gross profit increased 70% YoY, to 2 billion yen, and segment profit **surged** 160% YoY, to 630 million yen

\*1) IFRS business profit is equivalent to JGAAP operating profit

\*2) Profit for the period refers to profit attributable to owners of parent

# FY2023.10 3Q 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 +27% <b>98.9</b> billion (YoY+21.2billion)	YoY +39% <b>15.7</b> billion (YoY+4.4billion)	YoY +128% <b>1.6</b> billion (YoY+0.9billion)	<u>Revenue exceeded 90 billion and gross profit reached the 15 billion mark. Business profits increased by 128% YoY to approximately 1.6 billion due to profit structure reforms</u>
RENOSY Marketplace	YoY +27% <b>96.3</b> billion (YoY+20.5billion)	YoY +38% <b>13.7</b> billion (YoY +3.7billion)	YoY +39% <b>4.4</b> billion (YoY+1.2billion)	<u>Gross profit grew steadily, up 38% YoY. Segment profit rose 39% YoY, outpacing gross profit growth</u>
ITANDI	YoY +68% <b>2.3</b> billion (YoY+0.9billion)	YoY +70% <b>2.0</b> billion (YoY+0.8billion)	YoY +160% <b>0.6</b> billion (YoY+0.3billion)	<u>Both revenue and gross profit showed strong growth, increasing around 70% YoY. Segment profit exceeded the initial plan by around 100 million, at 0.6 billion yen, up 160% YoY</u>

FY2023.10 3Q Results

# FY2023.10 3Q Consolidated financial results

Business profit grew significantly, more than doubling,  
reflecting the achievement of high YoY growth for both RENOSY Marketplace and ITANDI

(million yen)		FY2022.10.3Q (IFRS) <sup>*1)</sup>	FY2023.10.3Q Actual (IFRS)	YoY changes <sup>*2)</sup>
Consolidated	Revenue	77,675	98,971	+27%
	Gross Profit	11,327	15,786	+39%
	Business Profit	703	1,604	+128%
	Profit for the period <sup>*3)</sup>	160	620	+287%
RENOSY Marketplace	Revenue	75,817	96,358	+27%
	Gross Profit	9,921	13,704	+38%
	Segment Profit	3,218	4,489	+39%
ITANDI	Revenue	1,430	2,399	+68%
	Gross Profit	1,193	2,025	+70%
	Segment Profit	246	639	+160%
Adjusted items	Corporate expenses	△2,441	△3,313	-
	Others <sup>*4)</sup>	△160	△94	-

\*1) For the second quarter of the fiscal year ending October 31, 2023, the Company is finalizing the provisional accounting treatment for the business combination, and each figure for the fiscal year ending October 31st, 2022, reflects the details of the finalization of the provisional accounting treatment \*2) Calculated based on the figures on the table FY2023.10 3Q Actual ÷ FY2022.10 3Q Actual - 1 \*3) Profit for the period refers to profit attributable to owners of parent

\*4) Other includes; Elimination of inter-segment transactions, amortization of intangible assets identified as a result of corporate consolidation and acquisition-related costs

# FY2023.10 3Q Consolidated financial results progress

Progress toward the revenue forecast is in line with guidance

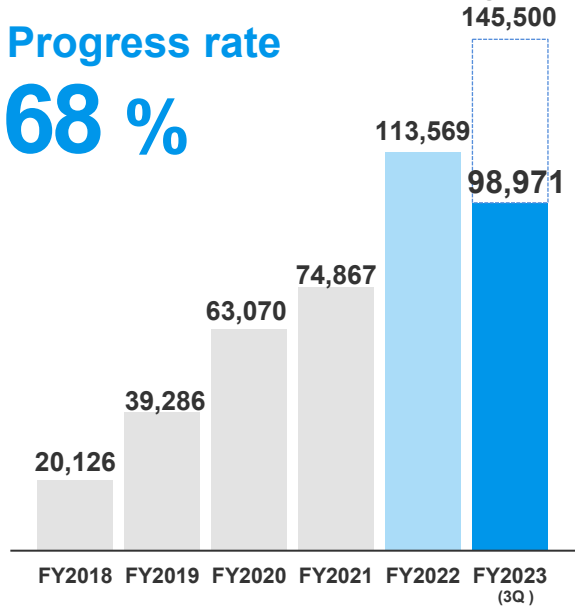
Raised initial forecasts for both gross profit and business profit in light of progress that exceeded guidance

Revenue <sup>*1)</sup>	
JGAAP (reference)	IFRS

(million yen)

Progress rate  
**68 %**

Earnings forecast (million yen)

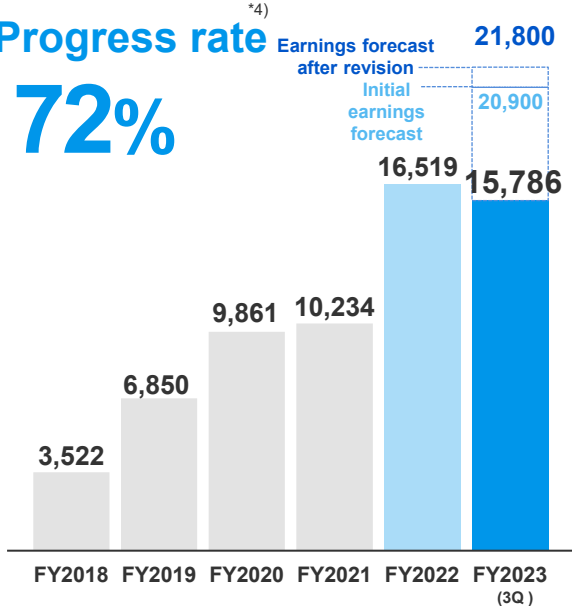


Gross profit <sup>*1)</sup>	
JGAAP (reference)	IFRS

(million yen)

Progress rate <sup>\*4)</sup>  
**72%**

Earnings forecast

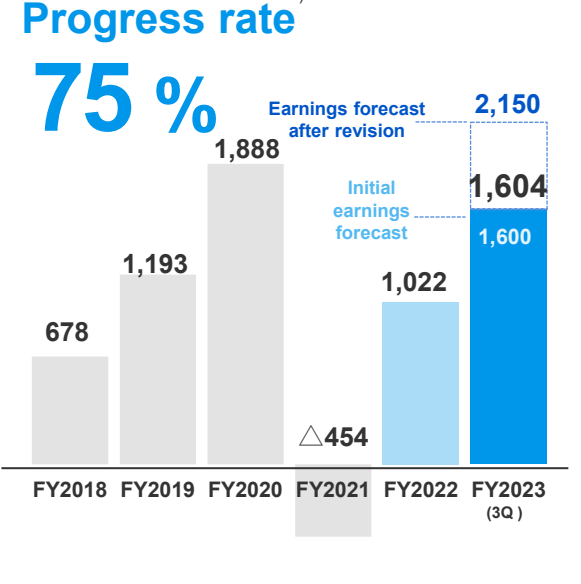


Business profit <sup>*1,2,3)</sup>	
JGAAP (reference)	IFRS

(million yen)

Progress rate <sup>\*4)</sup>  
**75 %**

Earnings forecast

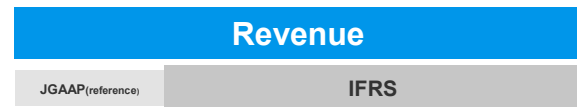


\*1) Produced in consolidated financial statement since FY 2019.10 \*2) Figures FY2018.10 to FY2020.10 are based on operating profit \*3) For the second quarter of the fiscal year ending October 31, 2023, the Company is finalizing the provisional accounting treatment for the business combination, and each figure for the fiscal year ending October 31st, 2022, reflects the details of the finalization of the provisional accounting treatment \*4) Progress against earnings forecast disclosed in FY2023.10 3Q financial results announcement

FY2023.10 3Q Results

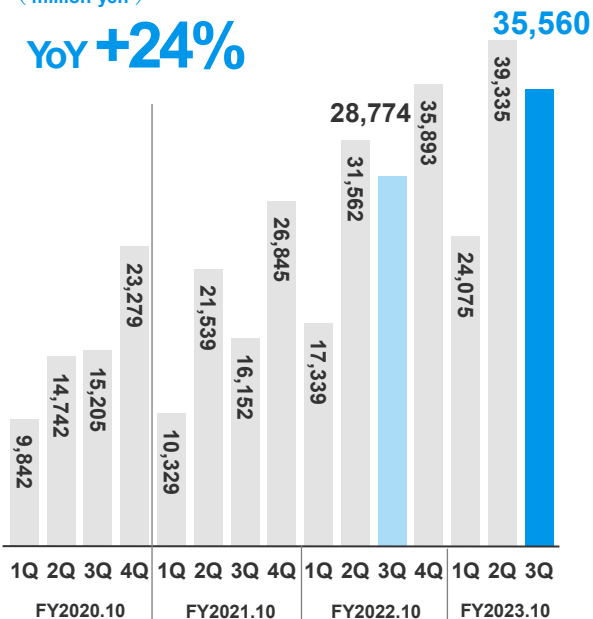
# Consolidated results trend (IFRS)

Favorable performance, with revenue up 24% YoY, gross profit up 30% YoY, and business profit up 50% YoY



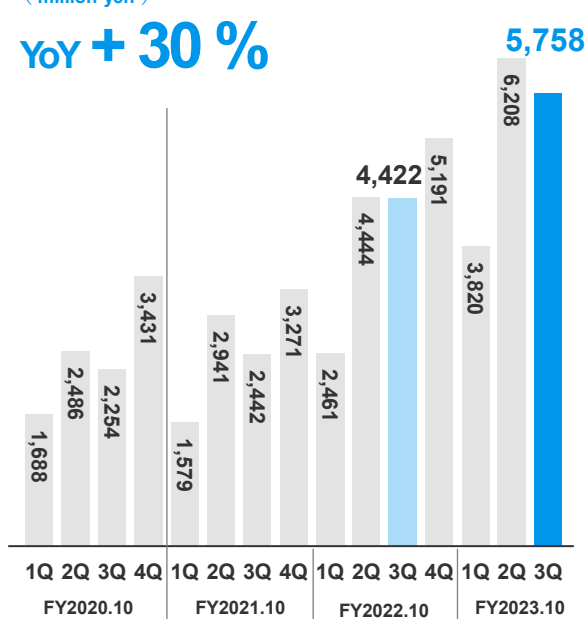
(million yen)

YoY +24%



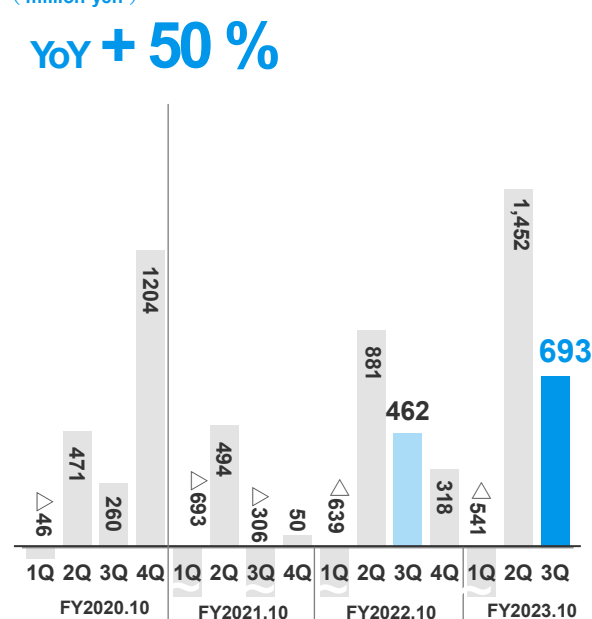
(million yen)

YoY + 30 %



(million yen)

YoY + 50 %



\*1) Numbers in FY2020.10 are based on operating profit \*2) For the second quarter of the fiscal year ending October 31, 2023, the Company is finalizing the provisional accounting treatment for the business combination, and each figure for the fiscal year ending October 31st, 2022, reflects the details of the finalization of the provisional accounting treatment



FY2023.10 3Q Results

# Gross profit of recurring revenue business

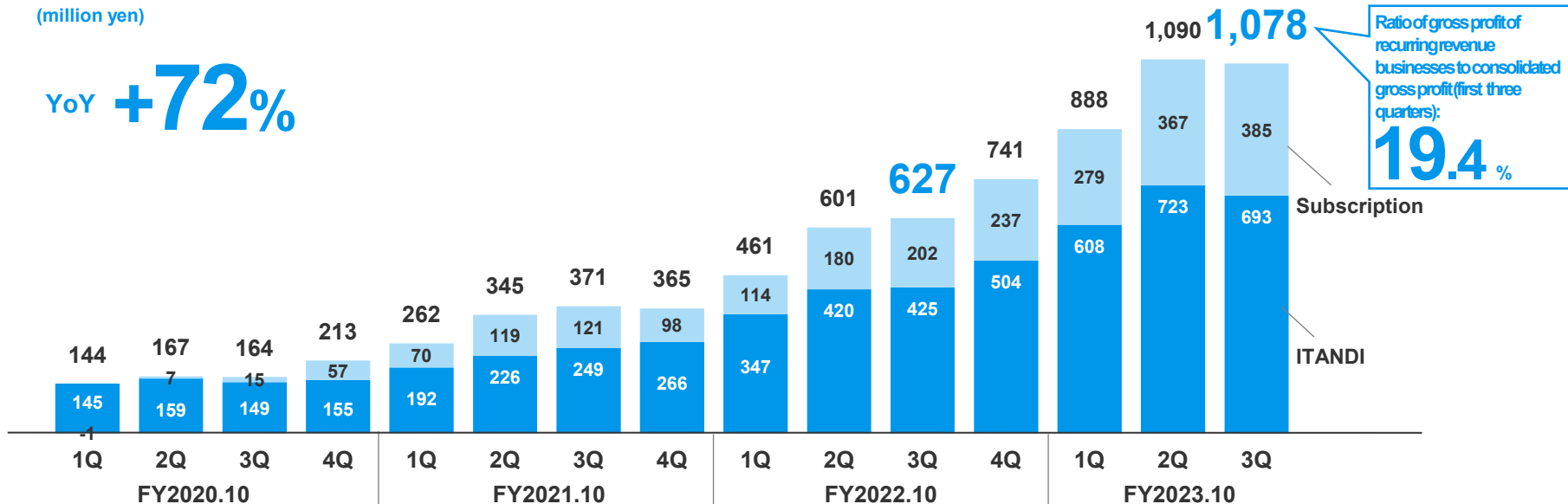
Gross profit of recurring revenue businesses, ITANDI and Subscription businesses, showed high growth of 72% YoY, expanding alongside revenue

## Gross profit trend in recurring revenue business <sup>\*1)</sup>

Japanese GAAP (Reference)

IFRS

(million yen)

YoY **+72%**

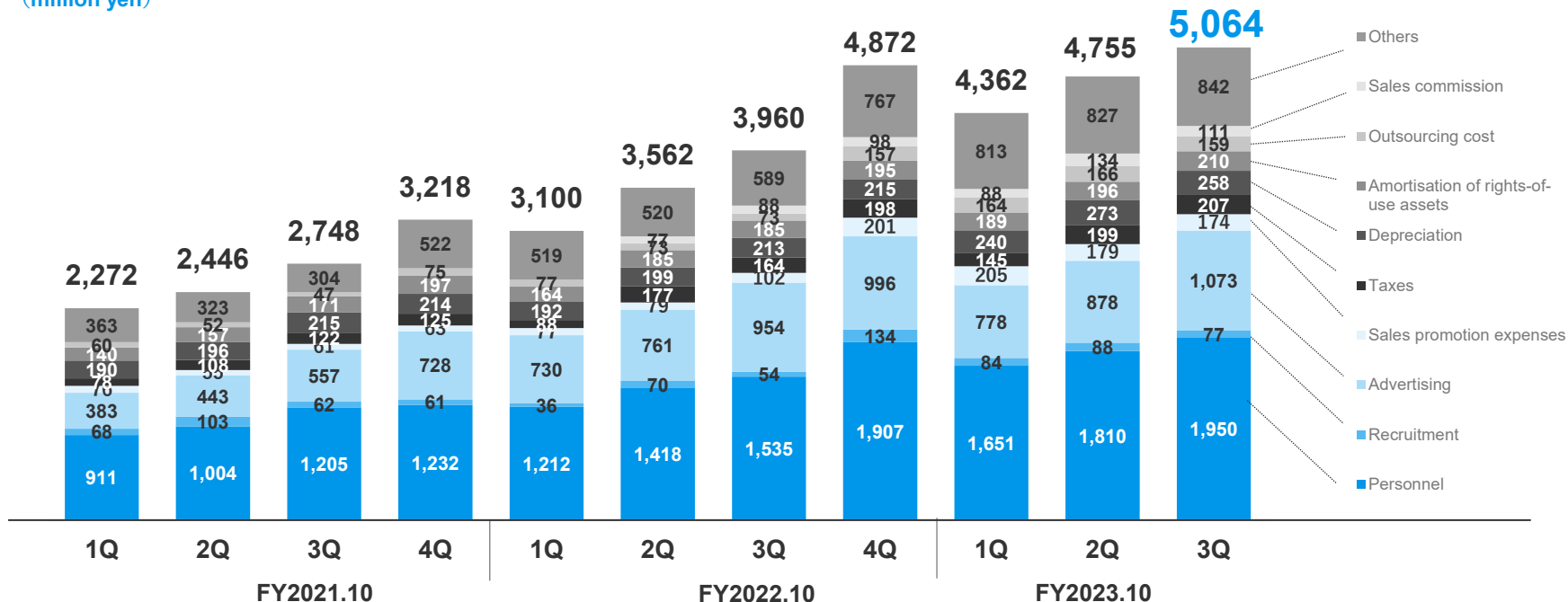
\*1) Figures from FY2017.10 to FY2020.10 are based on Japanese GAAP. Figures from FY2021.10 are based on IFRS. Gross profit of recurring revenue businesses is the total of the gross profit of the RENOSY Marketplace Subscription business and the gross profit of the ITANDI business

# SG&A trends

Advertising expenses increased to expand business performance  
While personnel expenses increased, conducted cost control measures

## SG&A trends <sup>(1)</sup>

(million yen)



\*1) For the second quarter of the fiscal year ending October 31, 2023, the Company is finalizing the provisional accounting treatment for the business combination, and each figure for the fiscal year ending October 31st, 2022, reflects the details of the finalization of the provisional accounting treatment

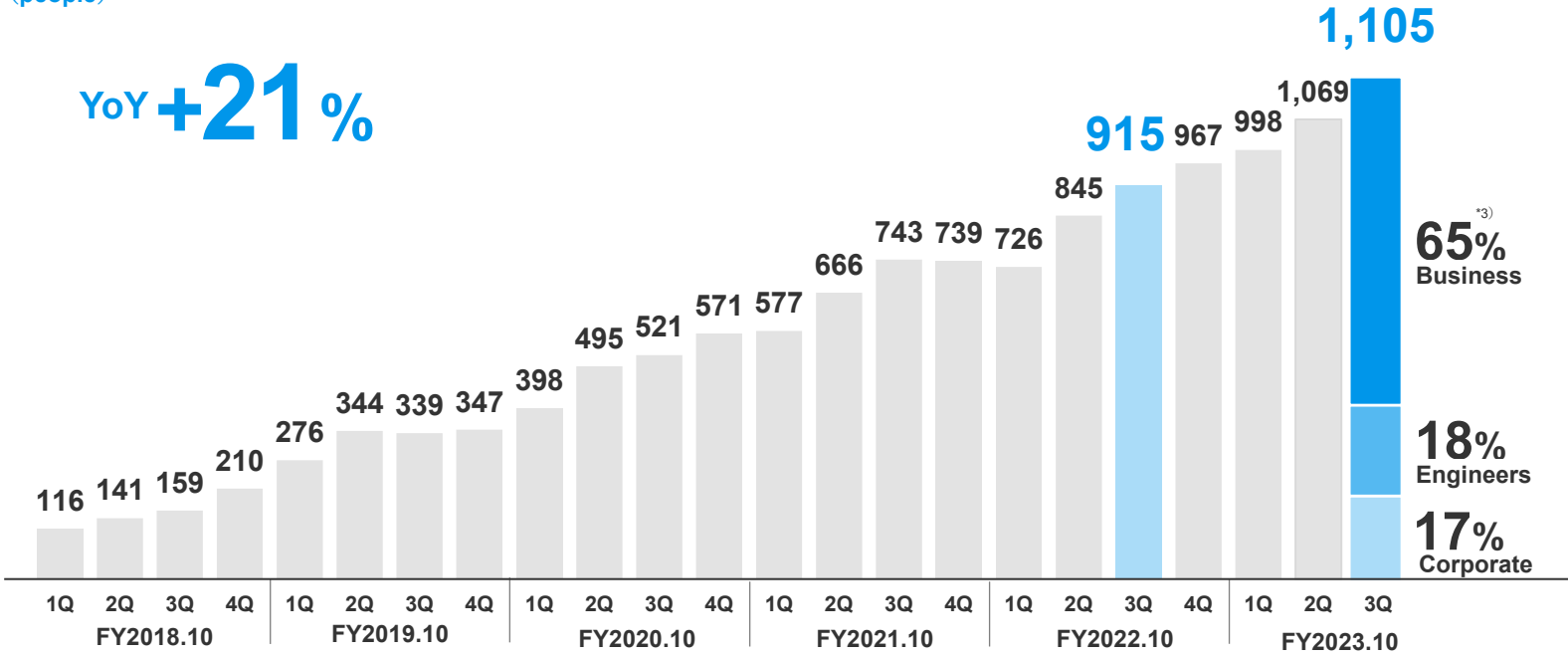
# Consolidated employee trends

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

## Number of Employees <sup>\*1,2)</sup>

(people)

YoY **+21%**



\*1) Board members, contracted workers, internships, part time workers are excluded (as of July 31 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%

## RENOSY Marketplace results

## Important KPI highlights

Made steady progress on each indicator. Exceeded target growth rate on gross profit, up approximately 38% YoY, exceeding guidance due to measures to improve gross profit margin, etc.

### Revenue growth rate

Target : 20%~30%

Revenue

**96.3**billion

(YoY appx.+ 27%)

### Gross profit growth rate

Target : 20%~30%

Gross Profit

**13.7**billion

(YoY appx.+ 38%)

### RENOSY members <sup>\*1)</sup>

YoY appx.+22%

**376,000**

(YoY appx.+67,000)

### Number of Purchase DX contracts <sup>\*2)</sup>

YoY appx. +24%

**3,811**deals

(YoY+743 deals)

### Number of Seller DX contracts <sup>\*3)</sup>

YoY appx. +49%

**1,434**deals

(YoY+469 deals)

### Number of Subscriptions contracts <sup>\*4)</sup>

YoY appx. +34%

**16,962**units

(YoY+4,292 units)

\*1) Refers to the total stock number of RENOSY members at the end of July 2023 (accumulated numbers of member registration).

\*2) Total number of contracts for investment and home within RENOSY Marketplace through Purchase DX. Figures do not include those of pre-merger companies (FY2023.10 3Q total)

\*3) Total number of contracts for investment and home within RENOSY Marketplace through Seller DX. Figures do not include those of pre-merger companies (FY2023.10 3Q total)

\*4) 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

# Revenue trends

Quarterly revenue rose 24% YoY, delivering a record high for third-quarter result

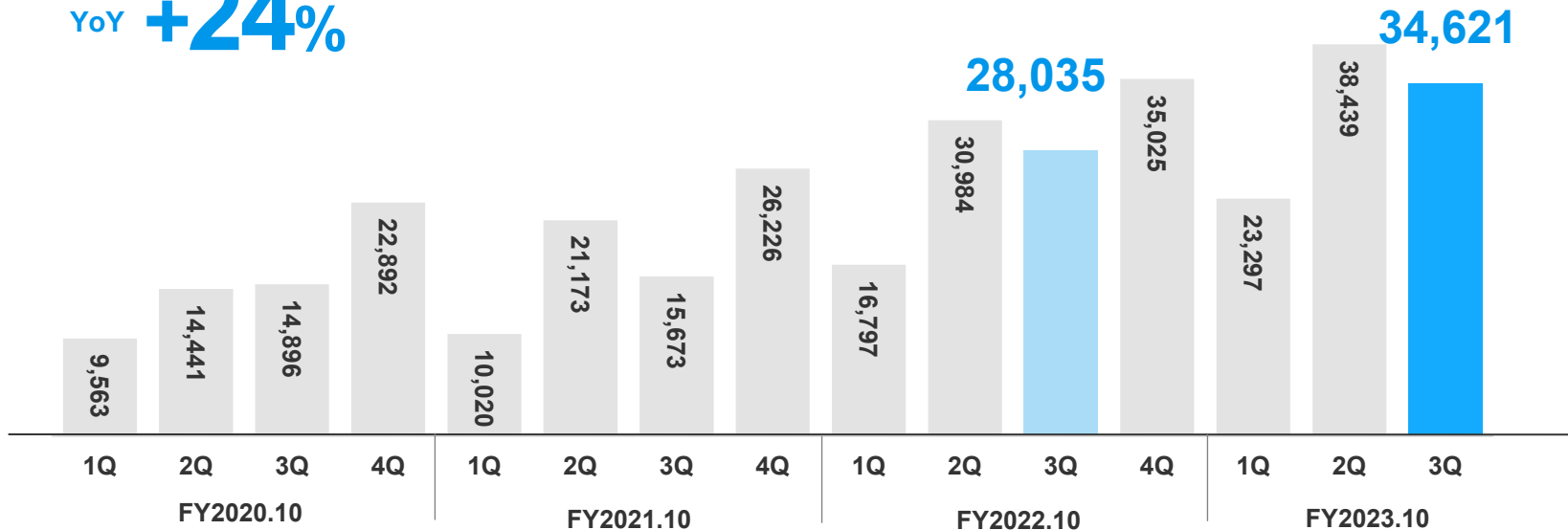
## Quarterly Revenue Trends

JGAAP (reference)

IFRS

(million yen)

YoY **+24%**



# Gross profit trends

Gross profit is maximized by promotions of Seller DX, expansion of product lineup, and other measures

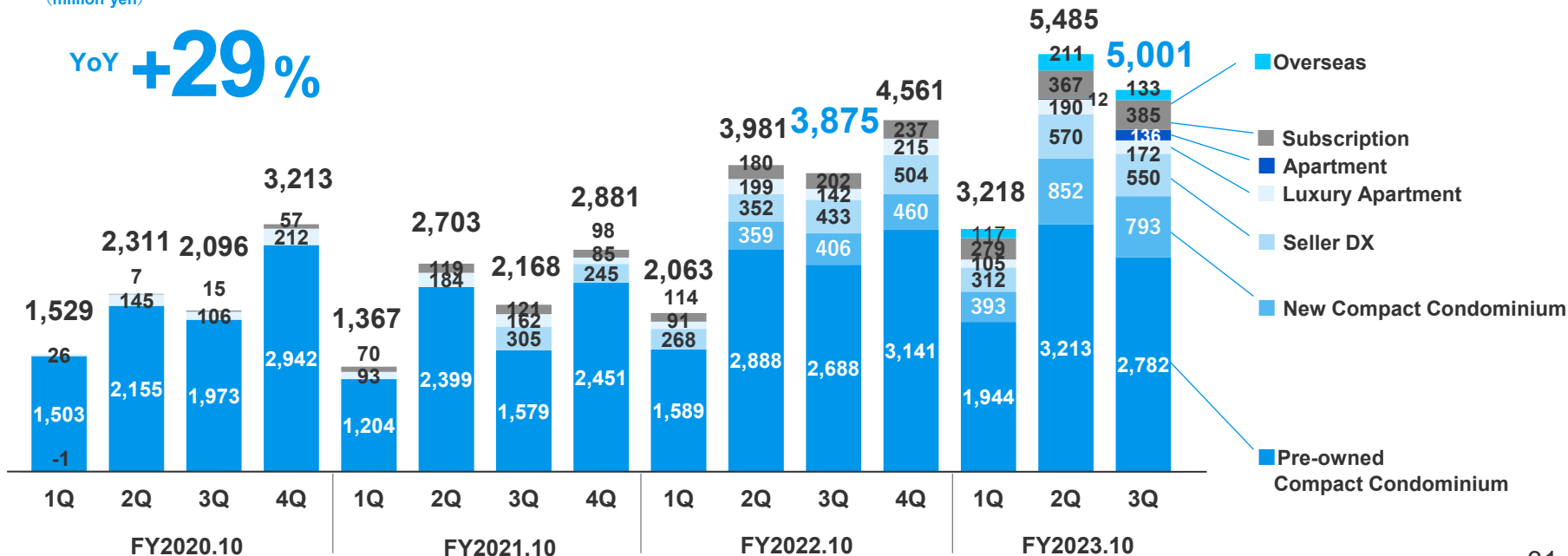
## Quarterly gross profit trend

JGAAP (reference)

IFRS

(million yen)

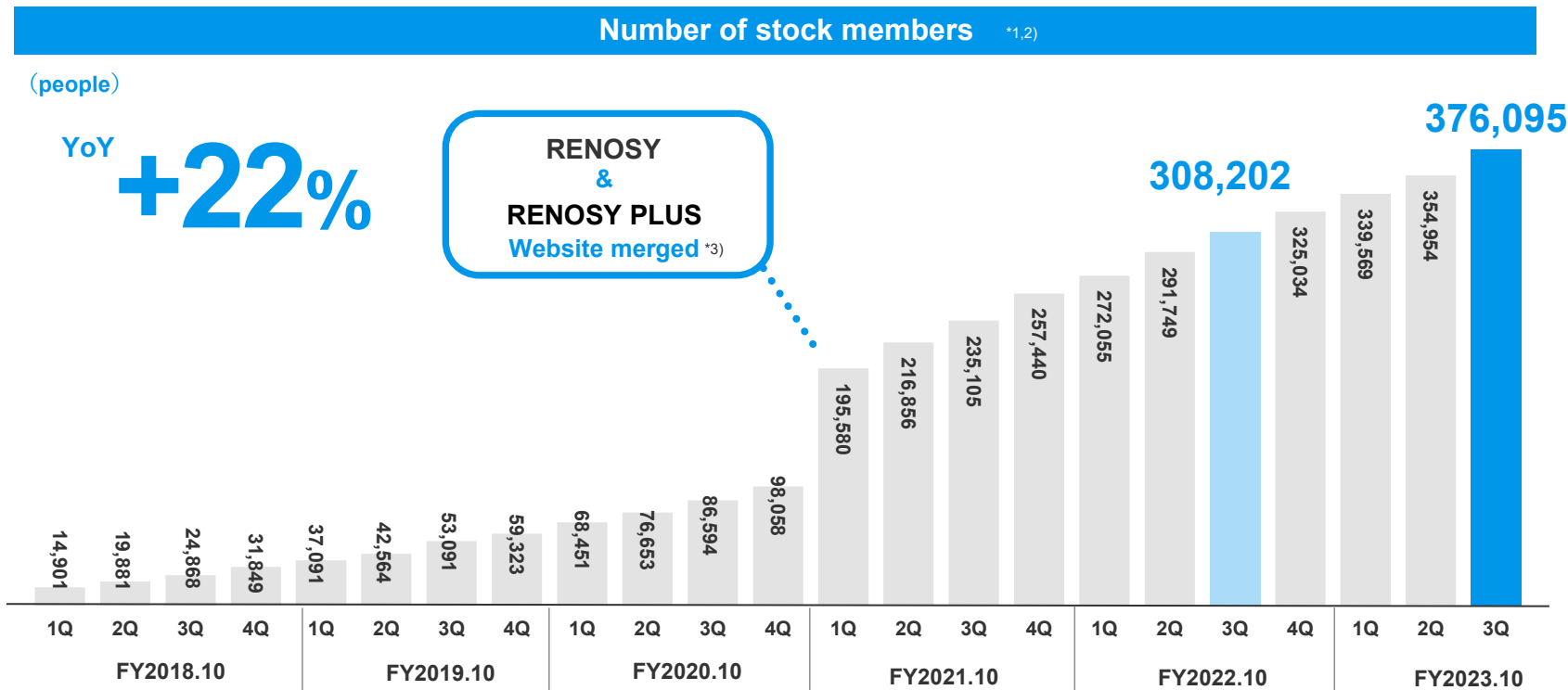
YoY **+29%**



FY2023.10 3Q RENOSY Marketplace results

# RENOSY member stock trends

Efficient use of digital marketing etc. to attract customers brings the number of members to over 370,000



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

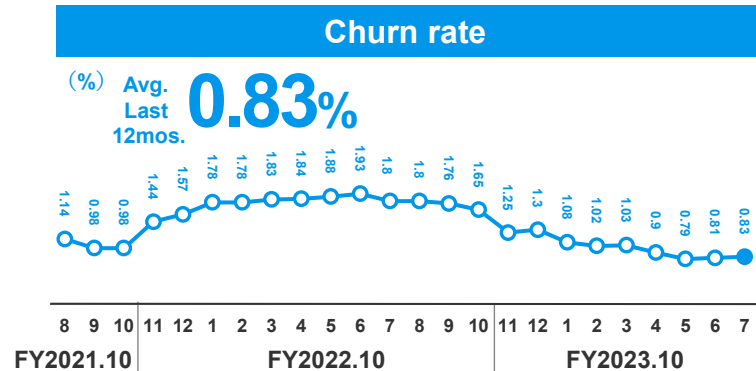
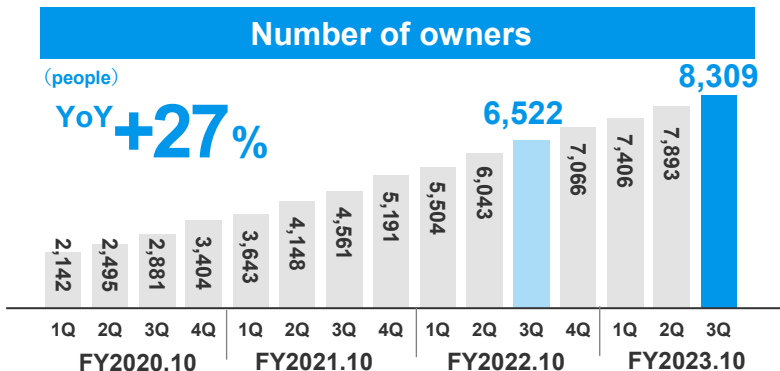
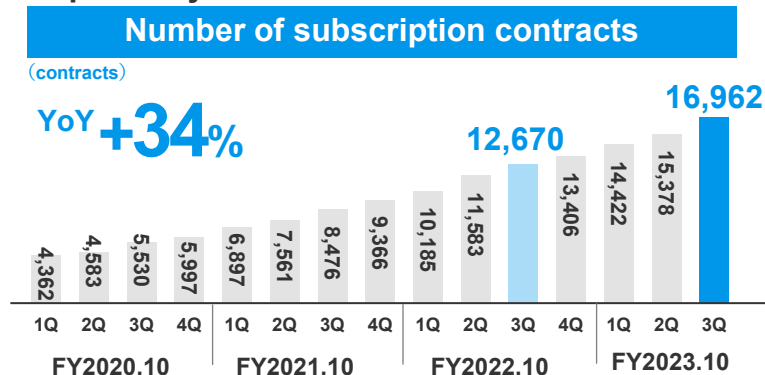
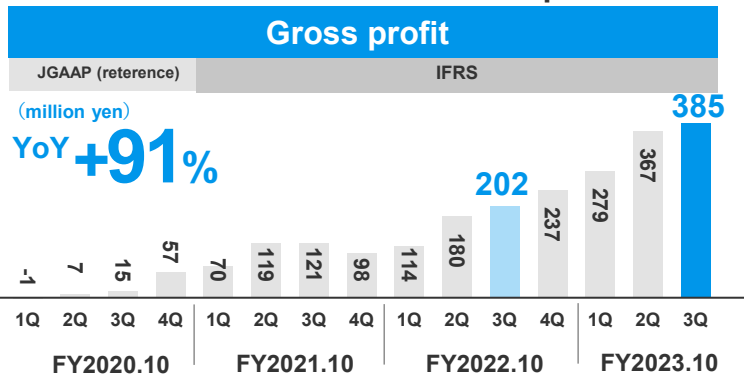
\*2) The number of RENOSY member stocks after FY2021.10 1Q in the graph differs from the number of members announced before FY2022.10 1Q due to a change in the definition of aggregation from FY2022.10 2Q

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



# Subscription KPI trends

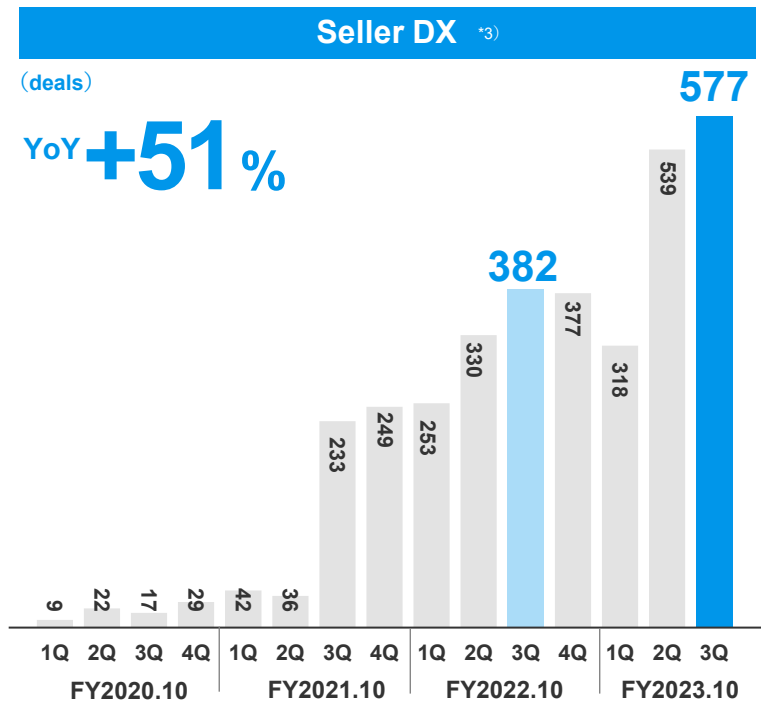
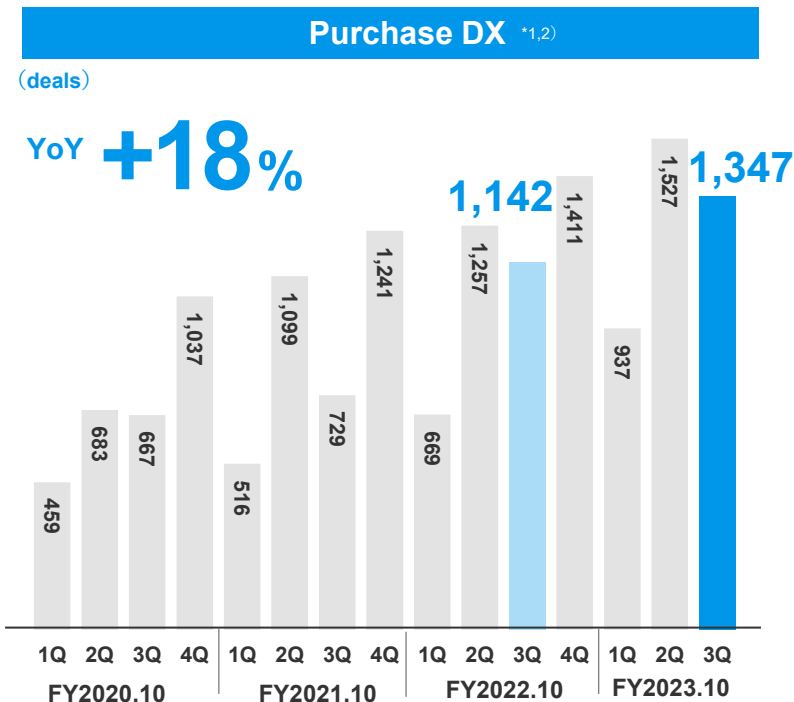
Both the number of subscription contracts and the number of owners showed favorable growth, up 34% YoY and 27% YoY respectively



FY2023.10 3Q RENOSY Marketplace results

# Number of contract trends for Purchase DX, Seller DX

The number of Purchase DX contracts increased steadily and the strengthening of DX caused the number of Seller DX contracts to rise by 51% YoY, contributing to improvement in gross profit



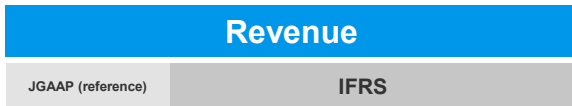
\*1) Total number of contracts for investment and home within RENOSY Marketplace through Purchase DX. Figures do not include those of pre-merger companies

\*2) Re-aggregated excluding intragroup transactions from FY2023.3Q since previous aggregation had been double counting intragroup transactions. As a result, the data may be different from the data presented in previous financial results briefing materials.

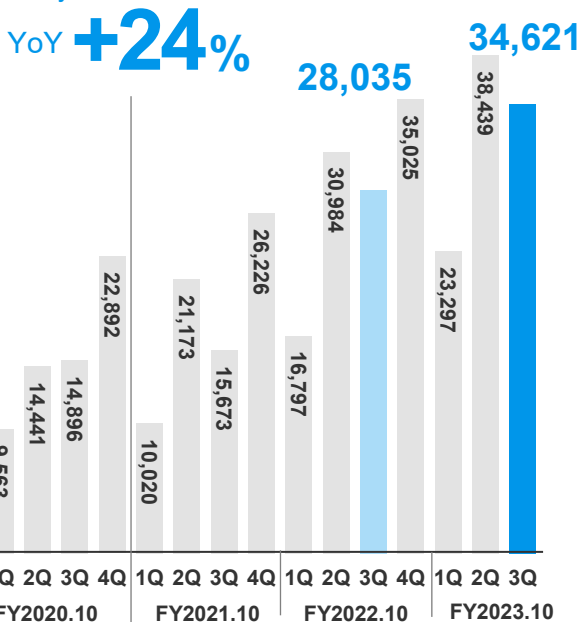
\*3) Total number of contracts for investment and home within RENOSY Marketplace through Seller DX. Figures do not include those of pre-merger companies

# Results trends (IFRS)

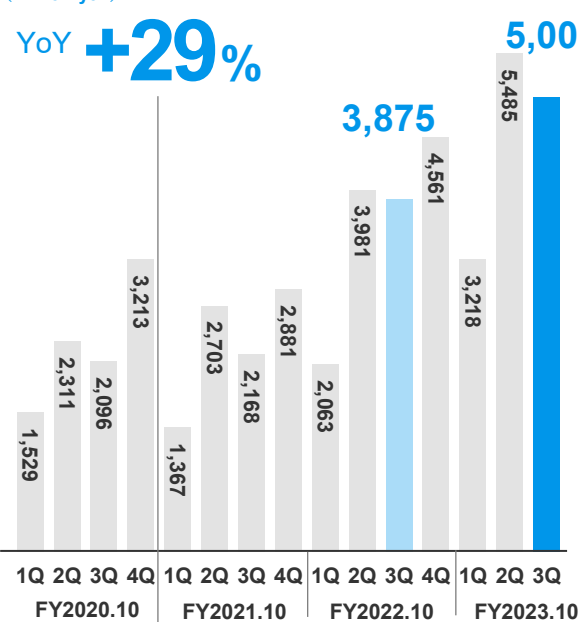
Revenues and gross profit showed strong growth, and segment profit also grew



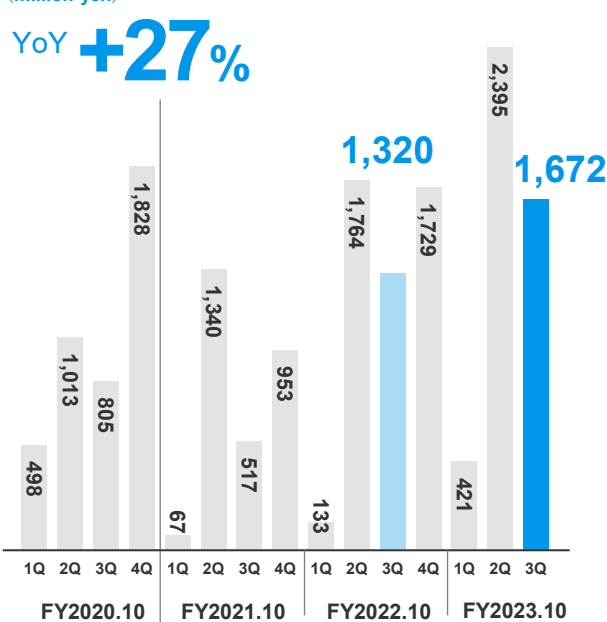
(million yen)



(million yen)



(million yen)



## ITANDI results

FY2023.10 3Q ITANDI results

## Important KPI highlights

**ARR growth and number of customers increased due to network effects of vertical SaaS**  
**Unit economics also kept high at 24.1x**

### YoY ARR growth rate <sup>\*1)</sup>

YoY +42%

# 2.45

 billion

(YoY+0.72billion)

### Number of customers <sup>\*3)</sup>

YoY appx.+ 48%

# 2,474

 companies

(YoY+799companies)

### Churn rate <sup>\*2)</sup>

# 0.50%

(YoY 0.48%)

### Unit economics <sup>\*4)</sup>

# 24.1

 times

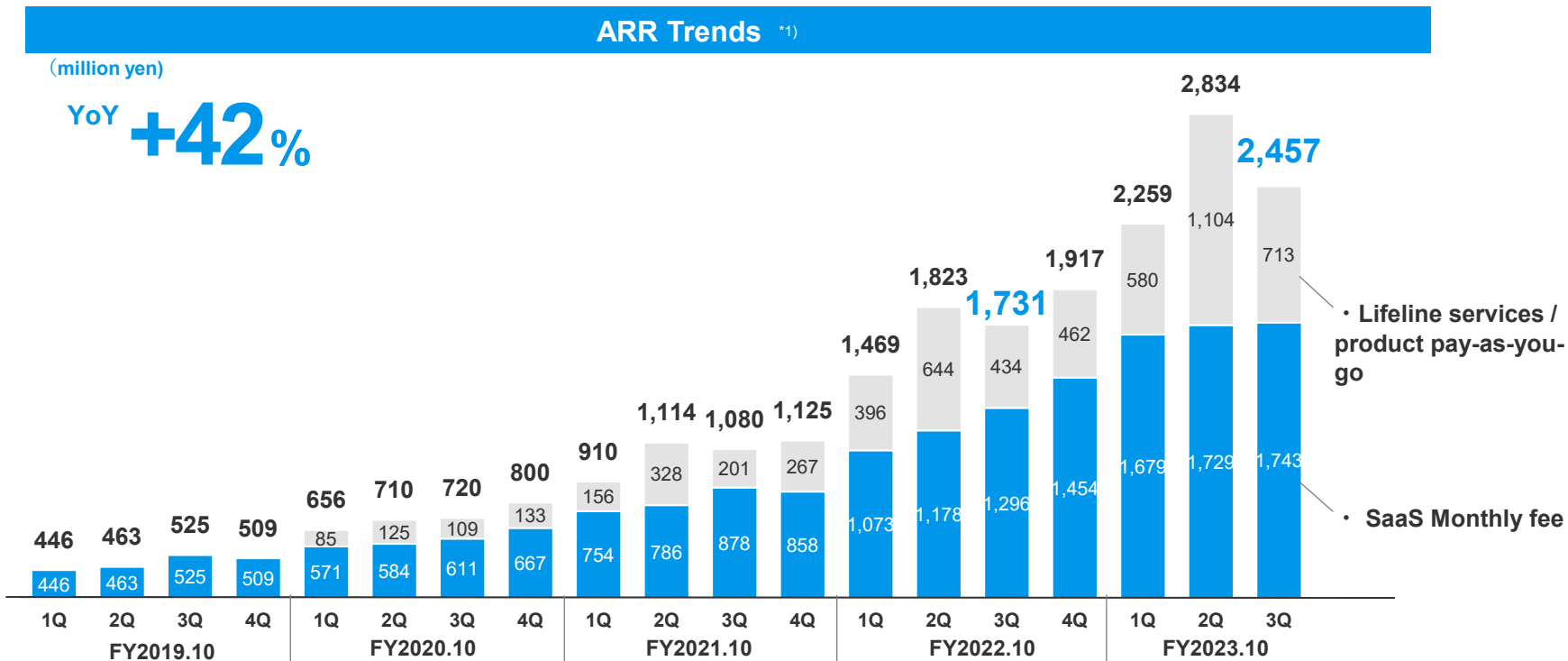
(YoY 30.6 times)

\*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 July 2022 and July 2023 of ITANDI BB+.

\*2) Average monthly churn rate of ITANDI BB+ for the last 12 months as of the end of July 2023 \*3) As of July 2023 \*4) Refer to page 106. The calculation method for CAC has changed from FY2023.10 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. As of July 31 2023

# ARR trends

Although the busy period for relocating passed and recurring lifeline services decreased in proportion to the number of online tenant applications, ARR grew 42% YoY

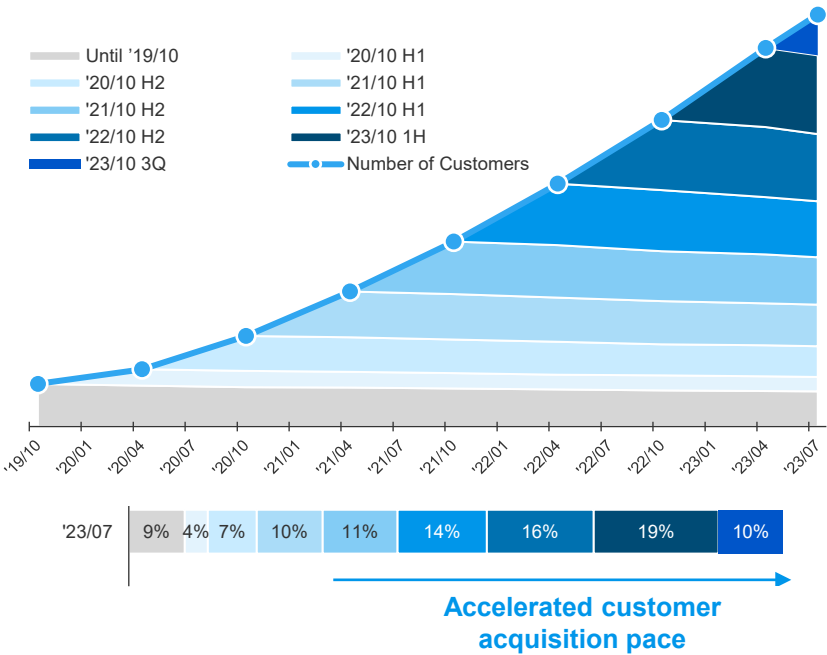


\*1) Annual Recurring Revenue, Calculated by multiplying the month-end MRR at the end of each quarter by 12. Compare ITANDI BB+ ARR as of July 2022 with ARR as of July 2023 at the end of each quarter

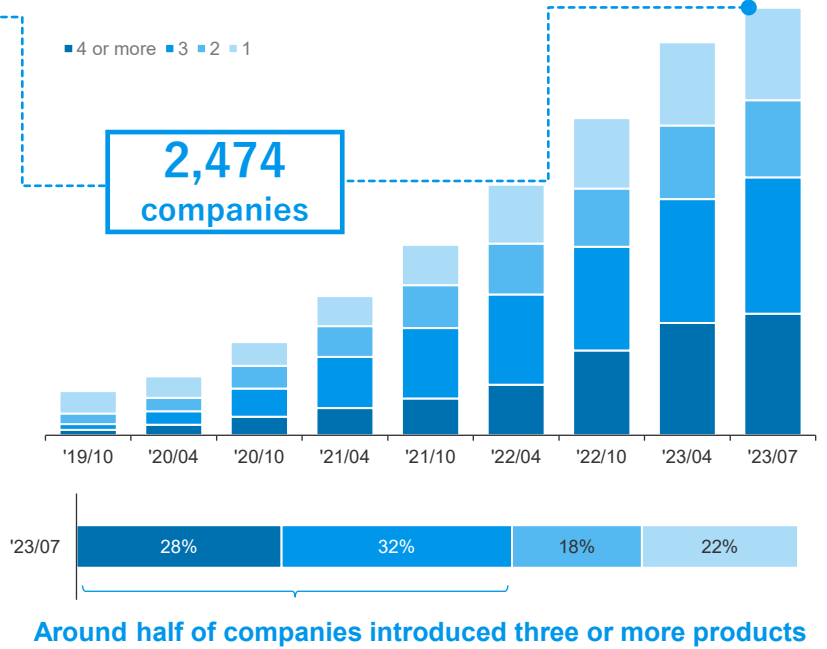
# Cumulative trends for numbers of customers and products introduced

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

Trends in customer numbers by year of introduction



Trends in customer numbers by number of products introduced

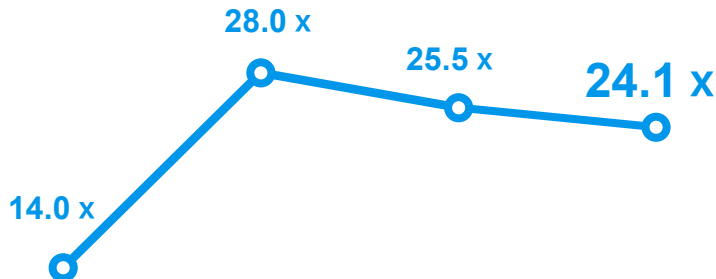


FY2023.10 3Q ITANDI results

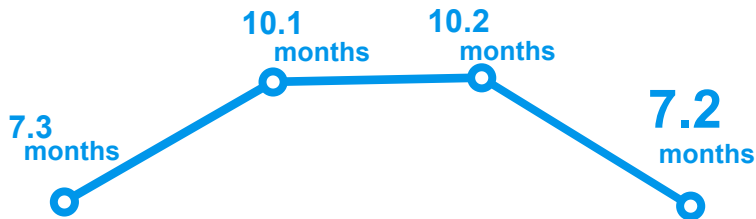
## Unit economics in the last 12 Months

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

### Unit Economics <sup>\*1,2)</sup>



### CAC Payback Period <sup>\*1,2)</sup>



FY2020.10

FY2021.10

FY2022.10

FY2023.10\_3Q

FY2020.10

FY2021.10

FY2022.10

FY2023.10\_3Q

\*1) Refer to page 106 \*2) The calculation method for CAC has changed; in the FY2022.10 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.



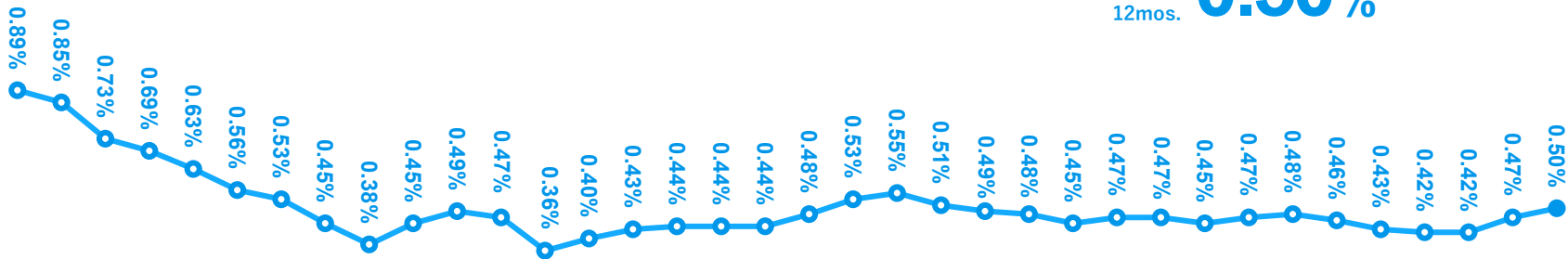
# Churn rate

The churn rate remained at a low level due to the rise in customer evaluation of products and services and enhancement of customer success

Churn Rate <sup>\*1)</sup>

(%)

Avg. Last 12mos. **0.50%**



FY2020.10

FY2021.10

FY2022.10

FY2023.10

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

FY2023.10 3Q ITANDI results

## Results trends (IFRS)

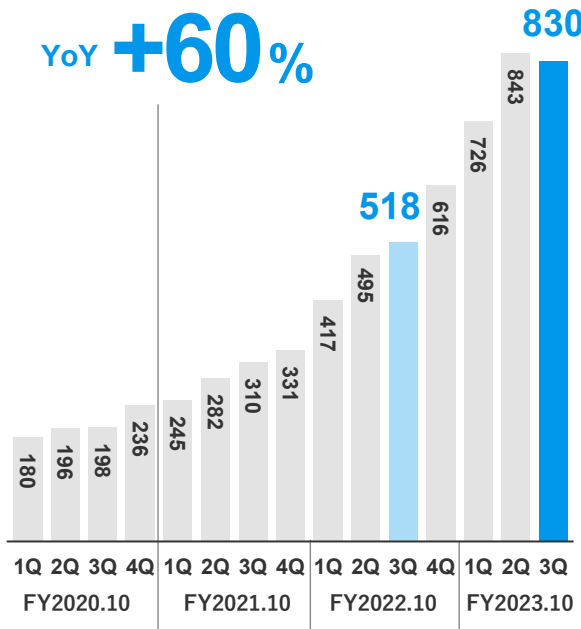
Both sales and gross profit grew strongly, up over 60% YoY,  
and segment income expanded significantly, up 128% YoY

## Revenue

JGAAP (reference)

IFRS

(million yen)

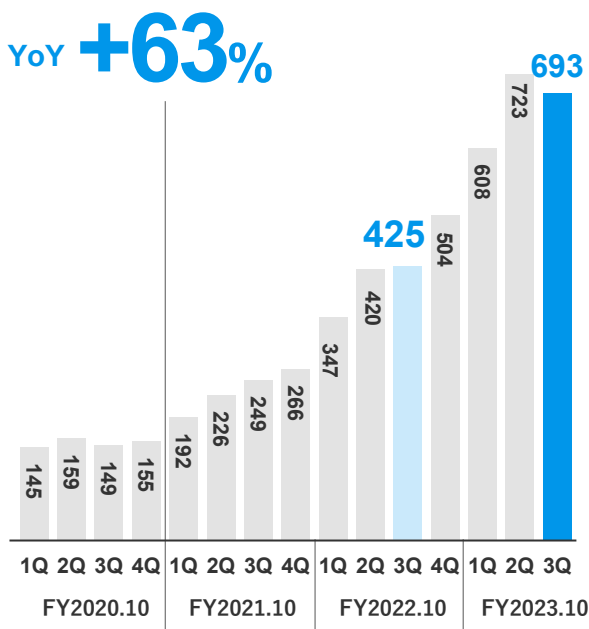
YoY **+60%**

## Gross profit

JGAAP (reference)

IFRS

(million yen)

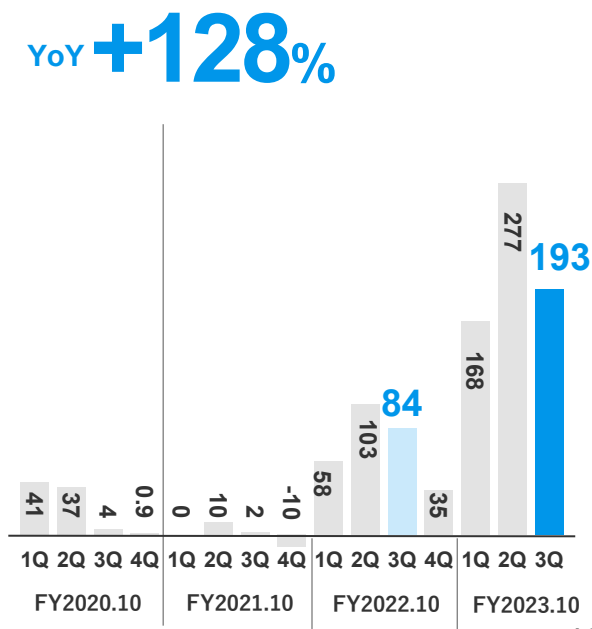
YoY **+63%**

## Segment profit

JGAAP (reference)

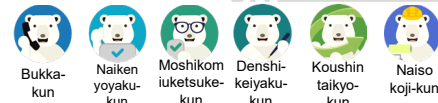
IFRS

(million yen)

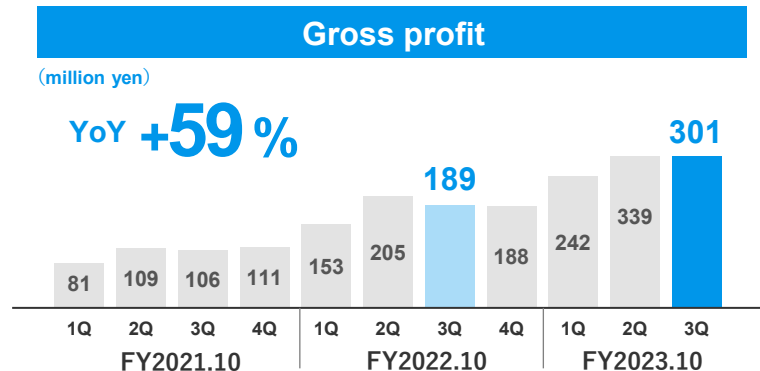
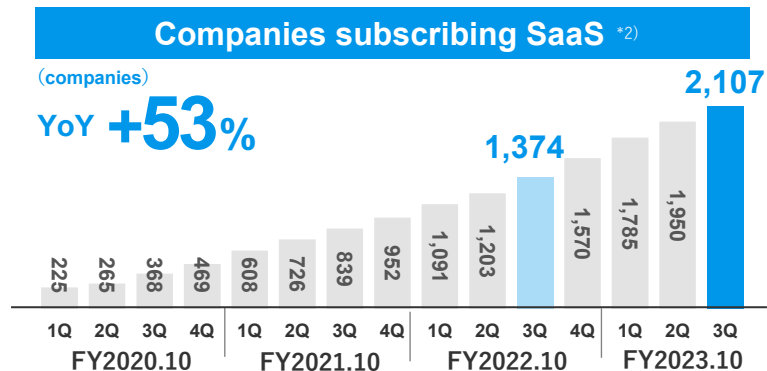
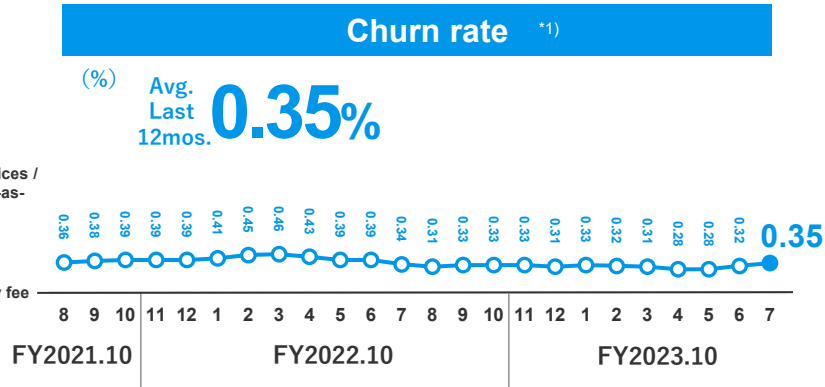
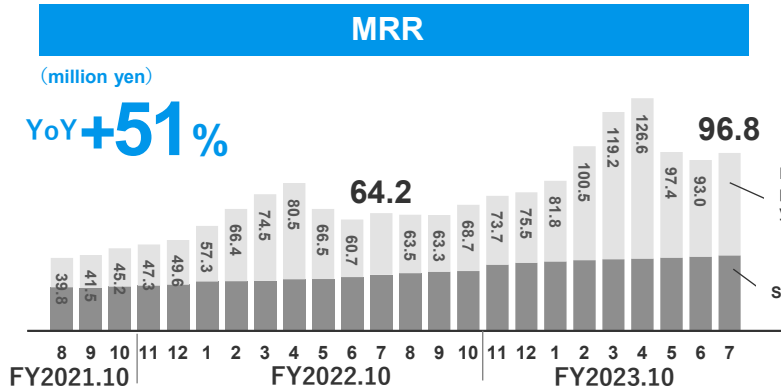
YoY **+128%**

# SaaS for management companies KPI trends

ITANDI BB+



The churn rate remained at a low level of 0.35%  
 More than 2,100 companies have installed the system, driven by growing market needs

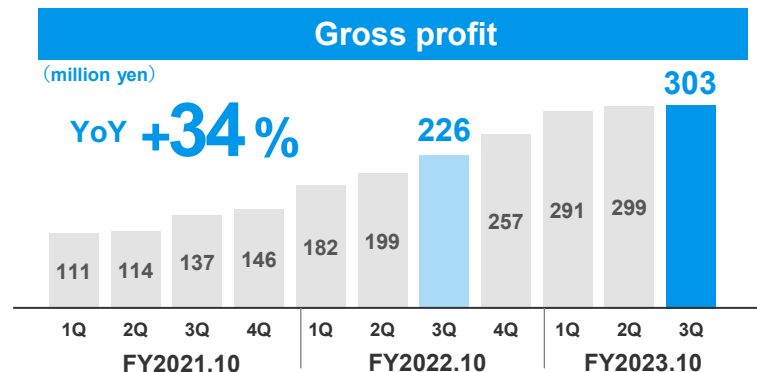
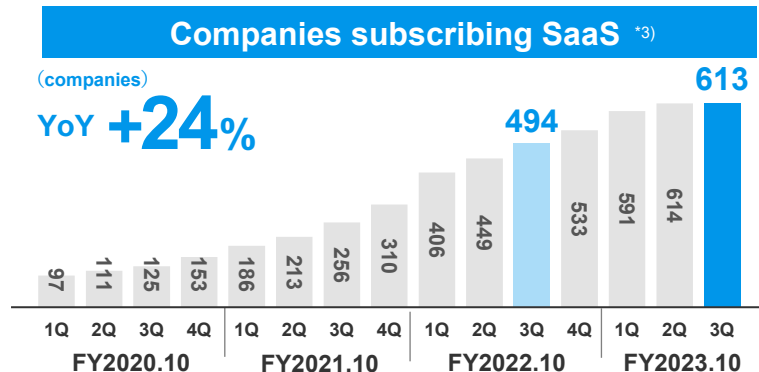
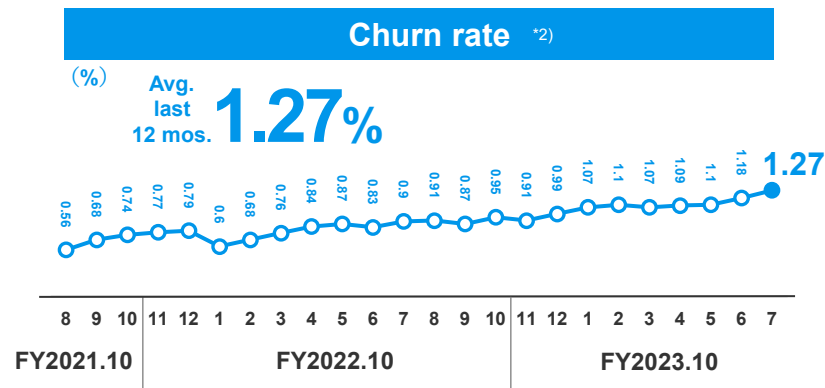
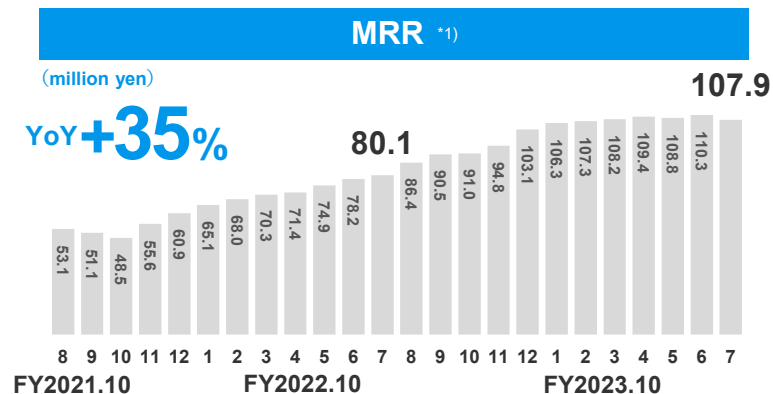


\*1) Calculated monthly average churn rate of recent 12 months, based on the numbers of companies with system subscription

\*2) Management companies those started with the service

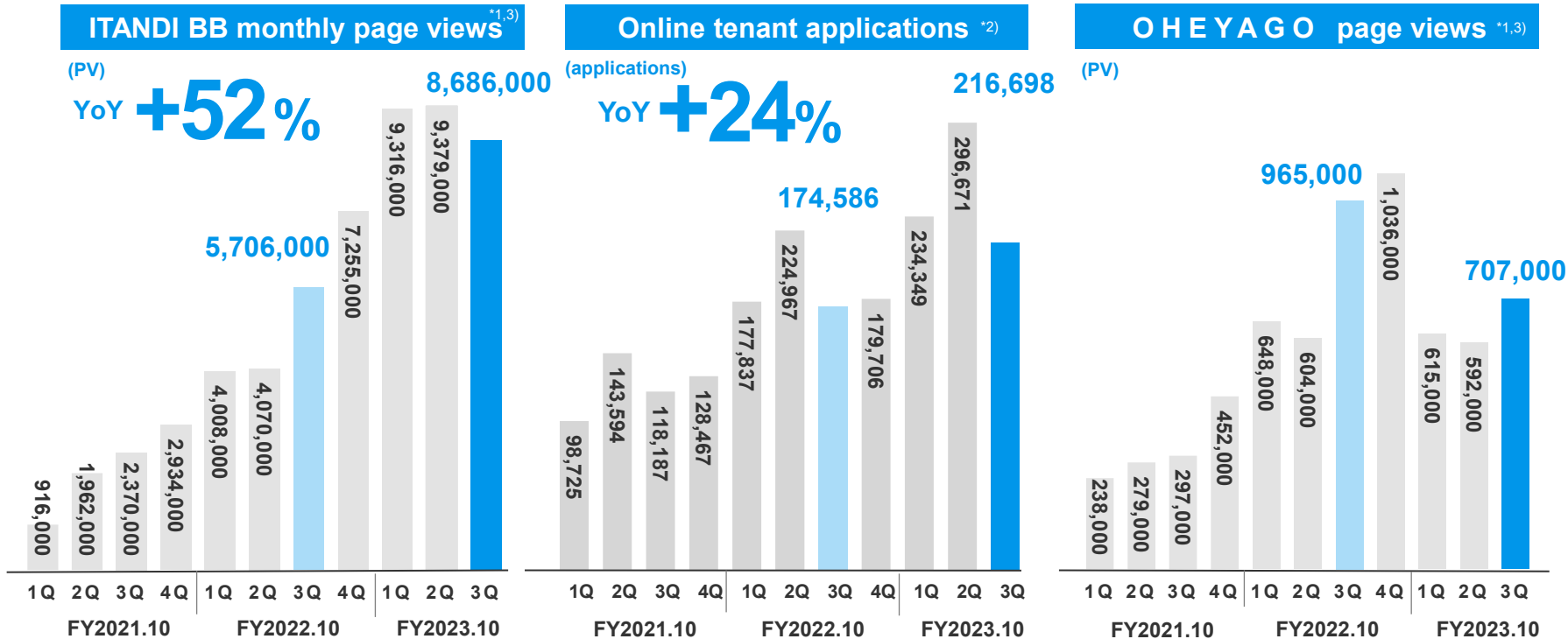
## SaaS for real estate agencies KPI trends

MRR fell temporarily due to the churn of a major company but remained favorable, increasing 35% YoY



# Other Indicators

ITANDI BB monthly PV grew 52% YoY  
 Online tenant applications decreased QoQ due to seasonal factors



\*1) Round down to the nearest 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) We switched to Google Analytics 4 as the data acquisition tool for the number of page views because Universal Analytics properties stopped processing hits on July 1, 2023. The figures from July 2022 (FY2022.10 3Q) onwards have been updated based on the data processing definitions used in Google Analytics 4 and are therefore different from the data presented in earlier financial results briefing materials

# 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

“No. 1 in Japan in data volume and technology” × “Honest and customer-oriented professionals” × “A one-stop solution”

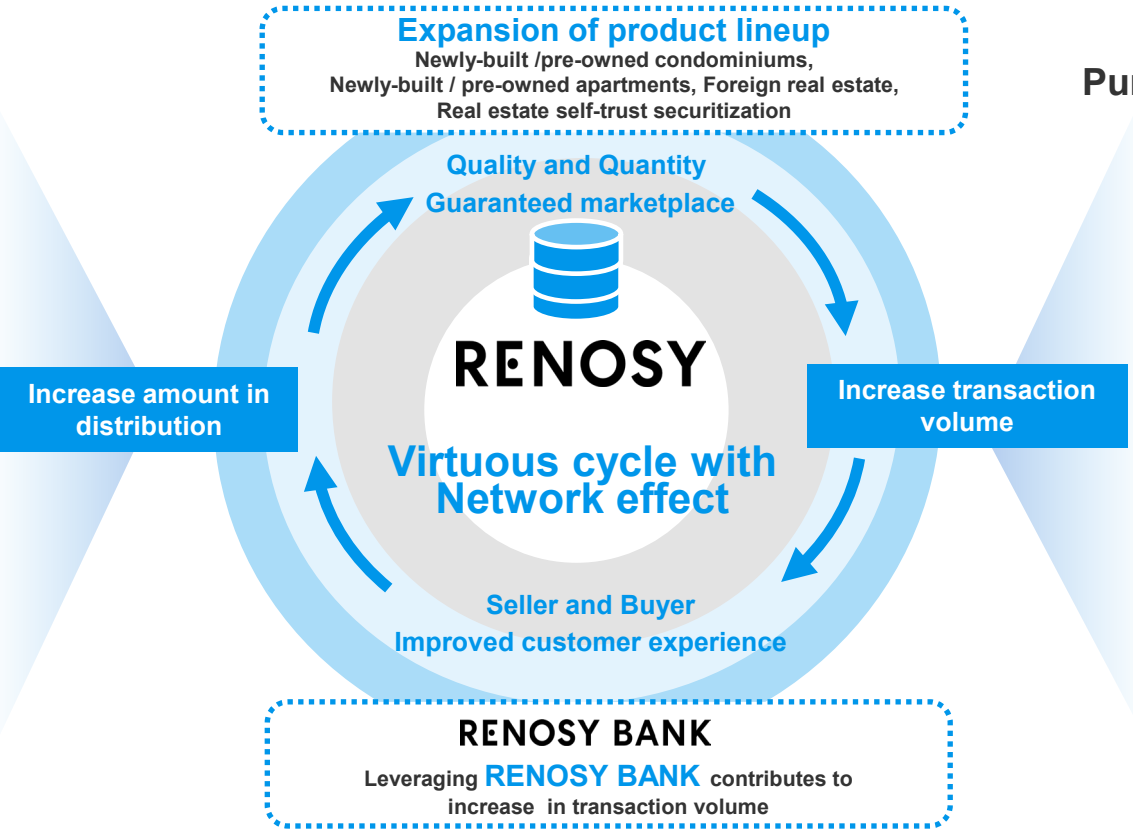


Topics by business segment RENOSY Marketplace

# Japan's leading real estate investment marketplace

## Seller DX (Seller)

Annual About 1 trillion yen of property information is acquired *1)
Property procurement of <b>4,500 units</b> per year
Supply Real estate companies <b>110,000</b>
Condominiums TAM <b>2.81 million units</b>
RENOSY Managed properties <b>17,000 units</b>



## Purchase DX (Buyer)

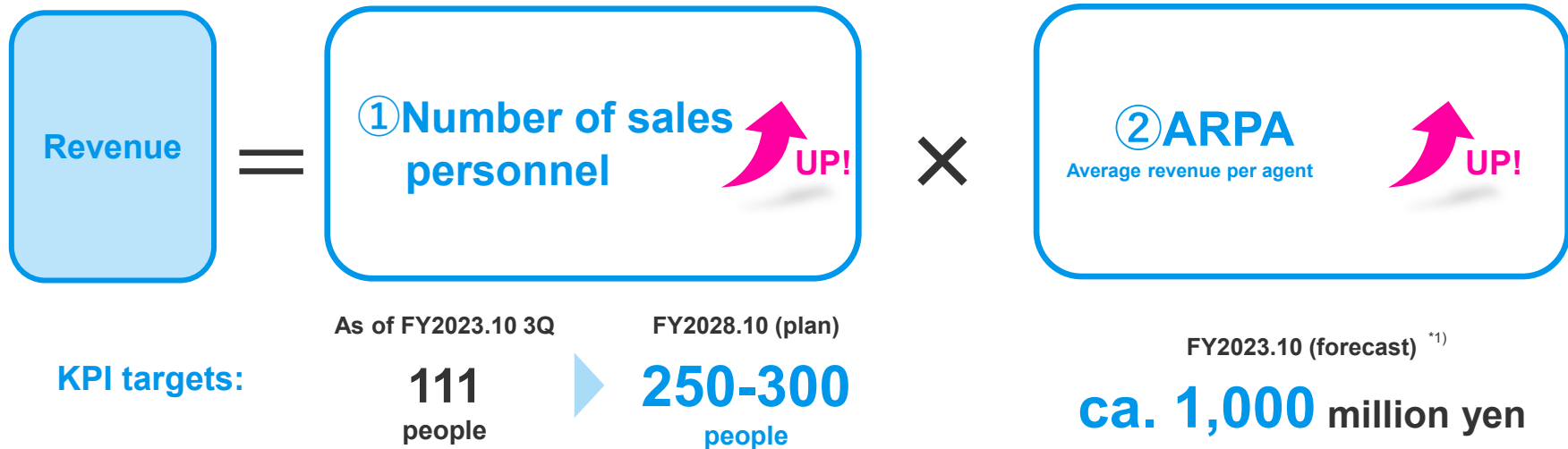
Annual About 67,000 members is acquired *2)
Annual income of 5 million yen + <b>15.8 million people</b> Salaried Employees
Financial assets of 50 million yen + <b>3.41 million households</b>
Monthly inquiries Approx. <b>5,500</b>
RENOSY Stock members <b>370,000 people</b>

\*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

# Pre-owned compact condominiums: Revenue growth strategy

For pre-owned compact condominiums, which is the pillar of RENOSY Marketplace's growth, propel growth of revenue in the medium-to-long-term by increasing ①the number sales personnel and ②ARPA (Average Revenue Per Agent)

## RENOSY Marketplace KPIs for pre-owned compact condos



\*1) Calculated by dividing the expected full-year revenue from pre-owned compact condos by the average number of sales personnel in FY2023.10 (based on the number of personnel at the end of each month; the expected number of sales personnel at the end of October 2023 is used for August, September and October 2023)

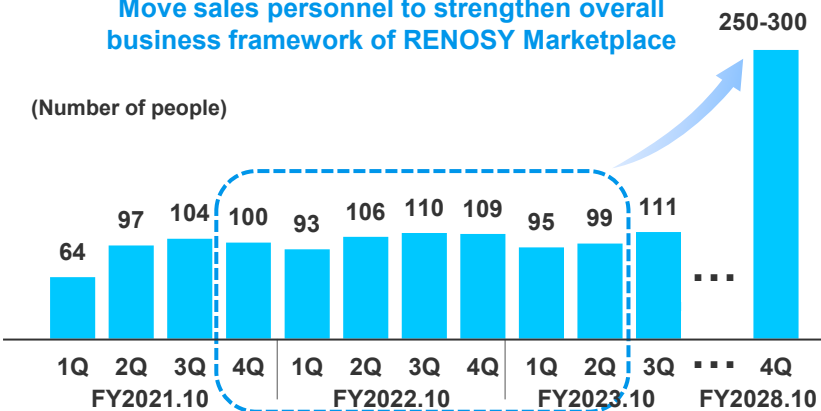
# Pre-owned compact condominiums

## ① Sales personnel recruitment strategy

Plan to recruit around 30 to 40 talented personnel per year  
Aiming for 250 to 300 personnel in the medium-to-long-term

### Trend in number of personnel

Move sales personnel to strengthen overall business framework of RENOSY Marketplace



From FY2021.10 4Q

FY2022.10 1Q - FY2023.10 2Q

Going forward

Reviewed the recruitment strategy and allocation of personnel from FY2021.10 4Q

Focused on raising the level of all businesses, and strengthened subscription and acquisition operations

Recruited over 20 sales personnel per year but transferred them to other operations. More or less finished strengthening the framework in FY2023.10 2Q

Plan to expand pre-owned compact condo sales personnel from 3Q

### Sales recruitment measures

Establish specialist team for recruiting sales personnel from FY 2021



#### Person in charge

Delegating responsibility to top headhunter from a foreign financial institution in Japan



#### Target

Recruitment targeting talented human resources in each sector



#### Number of recruits

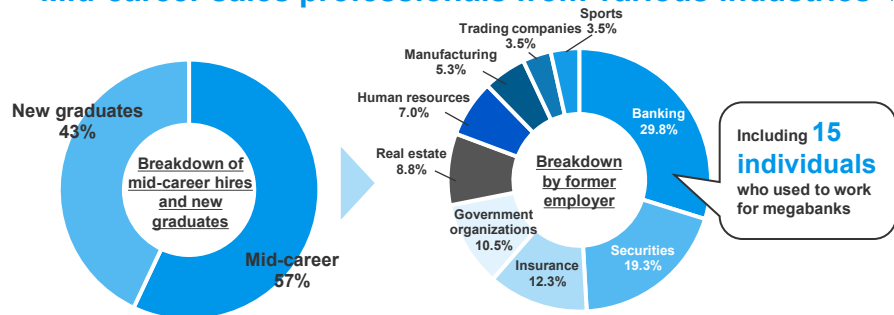
Recruitment of over 20 talented mid-career professionals per year after the establishment of the team



#### Future strategy

Acceleration of recruitment through an increase in the number of members of the recruitment team (from 3 to 6) and recruitment branding

### Mid-career sales professionals from various industries <sup>\*1)</sup>



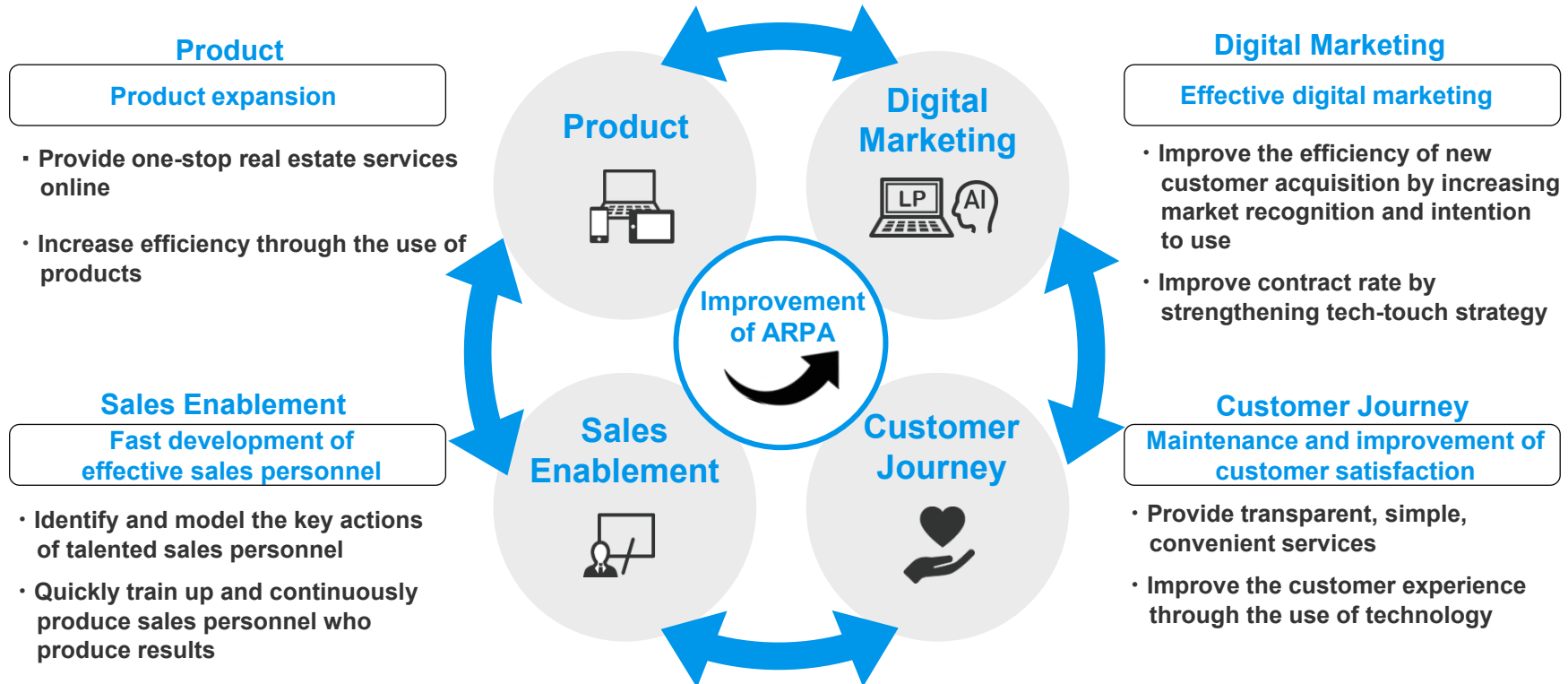
Including 15 individuals who used to work for megabanks

\*1) As of the end of July 2023

## Pre-owned compact condominiums

## ② ARPA improvement measures

## Improve ARPA with Real x Technology

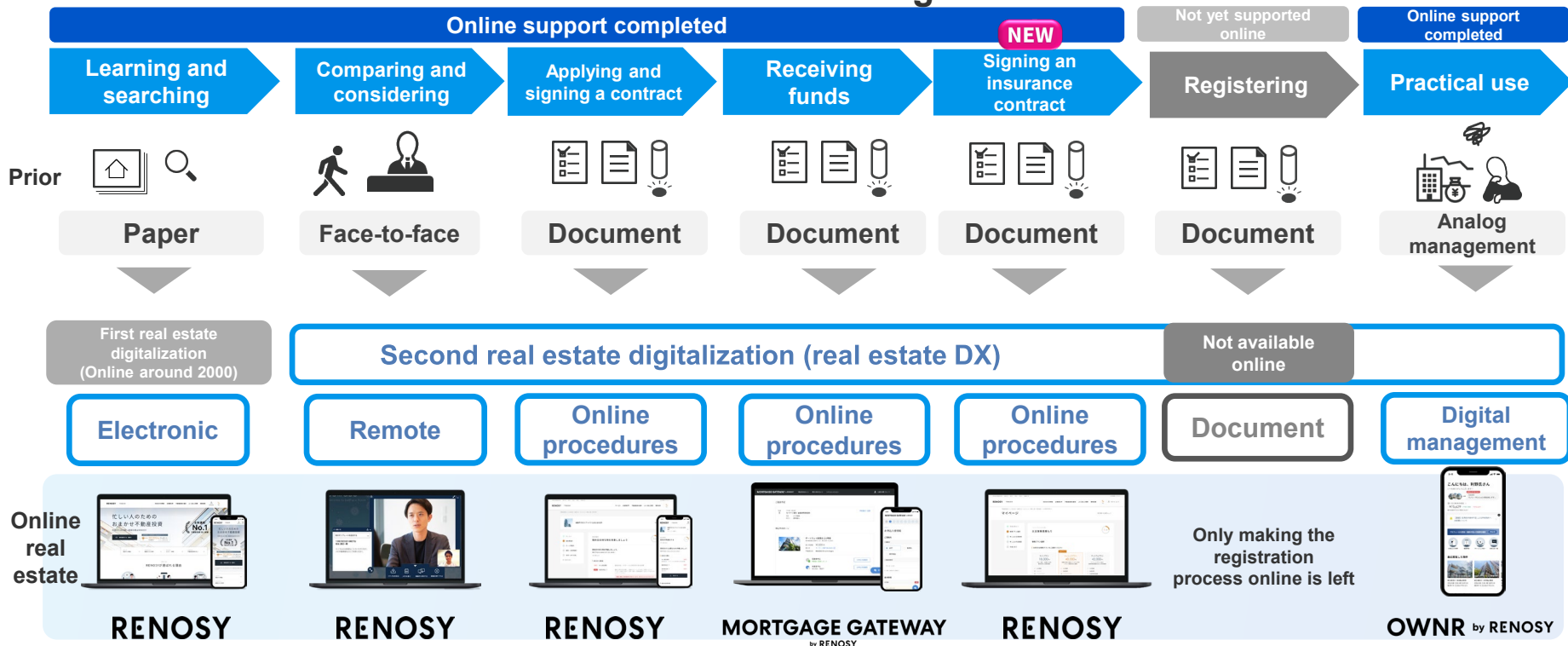


Topics by business segment RENOSY Marketplace

# Pre-owned compact condominiums

## ②ARPA improvement measures: Product

Expand online coverage of one-stop services and enhance business streamlining and convenience

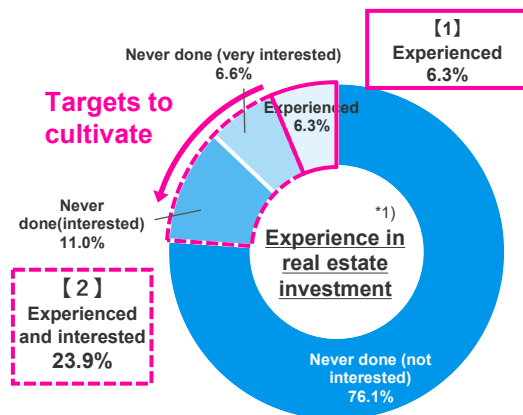


# Pre-owned compact condominiums ②ARPA improvement measures: Digital Marketing

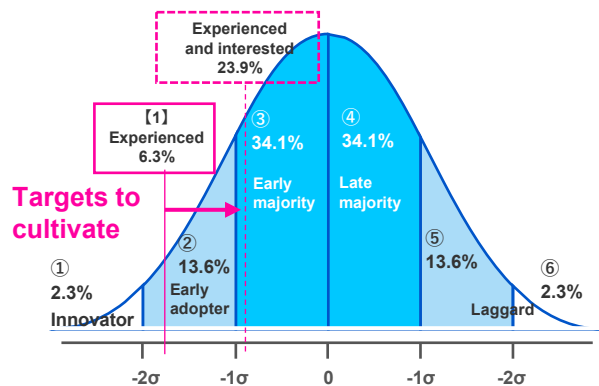
Focus on cultivating customers who are interested in property investment but have no investment experience and aim to improve the efficiency of new customer acquisition and the contract rate

## Classification of RENOSY target customers and marketing measures

### Customer cultivation targets



### (Reference) Perception of current status according to marketing theory \*2)



### Marketing measures to cultivate customers

- 1 Increase the efficiency of acquisition through improvements in recognition and intention to use

  - Strengthen framework for creative production
  - Optimize ad distribution through the use of machine learning models
- 2 Improve contract success rate by strengthening tech-touch strategy

  - Strengthen rate of contact with real estate investment-related content
  - Optimize UX according to customer circumstances
  - Improve coverage of user needs through expansion of product line up

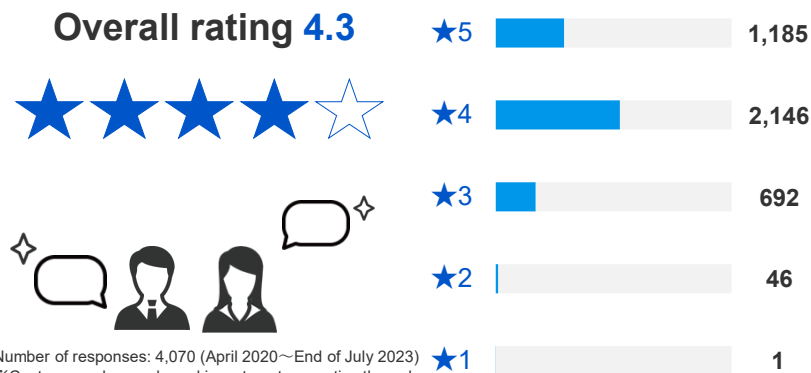
\*1) [Research organization]Cross Marketing Group Inc [Period] December 2, 2022~December 5, 2022 [Method] Online questionnaire survey (number of surveys: 1,930, number of valid responses: 1000)

\*2) Bell curve (marketing theory)

Through the utilization of products, good support of sales personnel etc. a quality customer journey is formed, and high customer satisfaction is achieved

### Customer satisfaction

Overall customer rating of 4.3, with 82% of customers giving a blue rating of 4 or higher



### Customer reviews<sup>\*1)</sup> and attributes (employer)

High credibility due to reviews from highly qualified customers



FANUC CORPORATION

When I changed the conditions, the simulation came up instantly and I was impressed by the speed with which the property information was sent to me. I compared the service with other companies, but everything from **the speed of the simulation to the speed of the sales agent is the best**, and I feel that I can trust them.



GoogleLLC

It was nice to see some good, already well-chosen properties. Thank you for the **helpful** answers from **the agent** anytime, weekdays and weekends. Also, **the app is easy to manage** and good for easy long-term investing with a variety of good plans. I would recommend them to my friends



Rakuten Group, Inc.

I was very anxious about starting real estate investment, but I felt **reassured** when I was informed of the merits and demerits. It was also good that there were many plans and that I could **easily manage them with an app** for long-term investment. The staff was **accessible**, and I was able to ask questions easily



### Customer's top employers

Accenture Japan Ltd  
SoftBank Group Corp.  
Tokio Marine & Nichido Fire Insurance Co., Ltd. MUFG Bank, Ltd.

Nomura Securities Co.Ltd.  
SUMITOMO MITSUI BANKING CORPORATION

\*1) Reviews and ratings are as stated from the RENOSY website (<https://www.renosy.com/asset/reviews>)

# Pre-owned compact condos ②ARPA improvement measures: Sales Enablement

**Establish sales foundation through standardizing sales know-how.  
Effectively and quickly turn sales personnel to be fully competent and continuously deliver results**

**FY2022.10 Establishment of Sales Enablement Team responsible for training sales personnel**

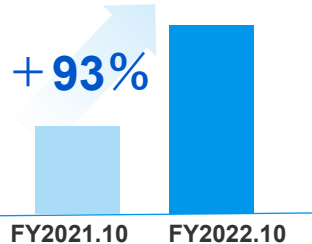
**Aim**

Establish sales foundation in preparation for future expansion in personnel. Reduce burden on managers associated with training and variation in performance. Turn sales personnel into effective personnel quickly and produce sales personnel who can continuously produce results

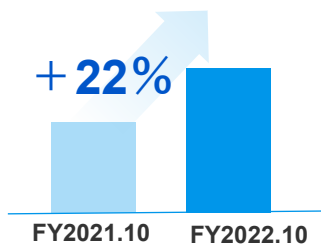
- 1 Identification and modeling of key actions of talented sales personnel
- 2 Acquisition of knowledge and skills for execution of key actions
- 3 Visualization of expected level of conduct and appropriate coaching and support
- 4 Results-based review and revision of trajectory, target setting and management
- 5 Continuation of onboarding period until sales personnel become independent

**Outcome after implementation of Sales Enablement strategy \*1)**

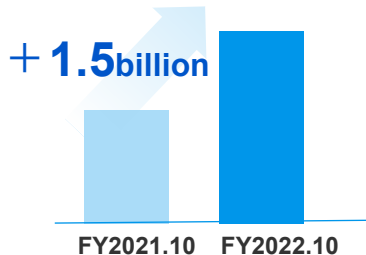
ARPA (Average Revenue Per Agent)



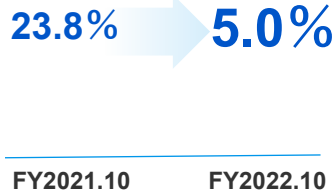
Rate of achievement of target revenue



Revenue \*2)



Turnover rate \*3)



\*1) Newly hired mid-career sales professionals are provided with training for one month after joining the company. Comparison of onboarding period data for "3 months after provision of training to FY2021.10 mid-career hires" and "3 months after provision of training to FY2022.10 mid-career hires (onboarding period)"

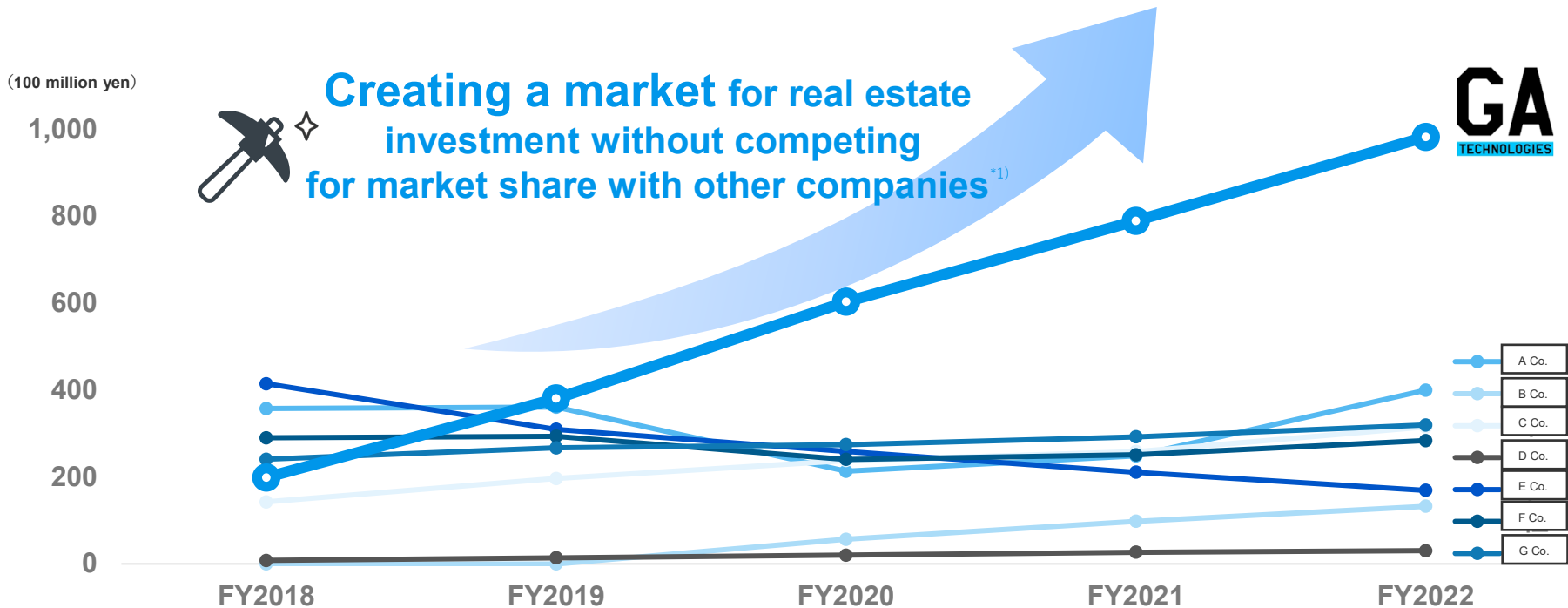
\*2) The number of new employees was 16 in FY2021.10, and 19 in FY2022.10 \*3) First-year turnover rate for new hires



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

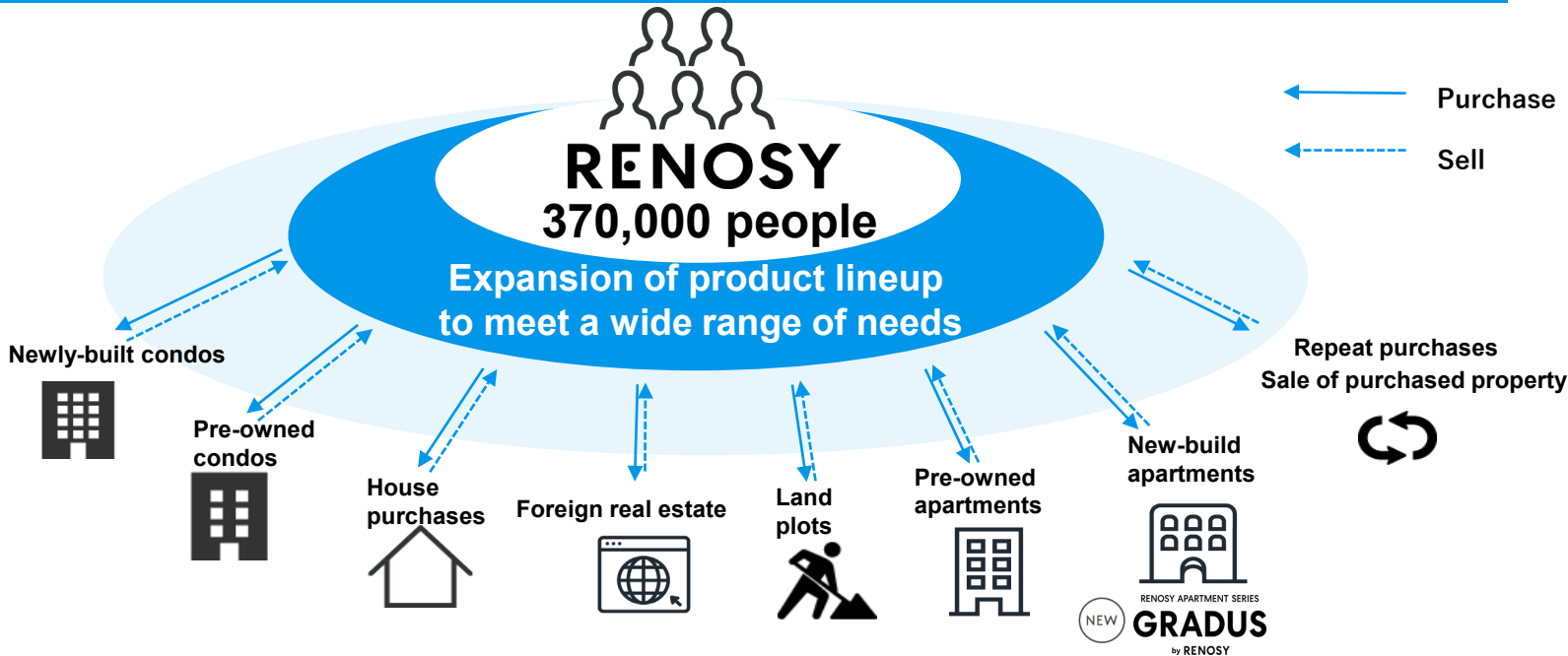


\*1) Selected listed companies that handle pre-owned compact condominiums for investment and non-listed companies with a certain level of sales. For companies A to E, sales were estimated based on the percentage of pre-owned compact condominiums for investment as stated in financial statements, explanatory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

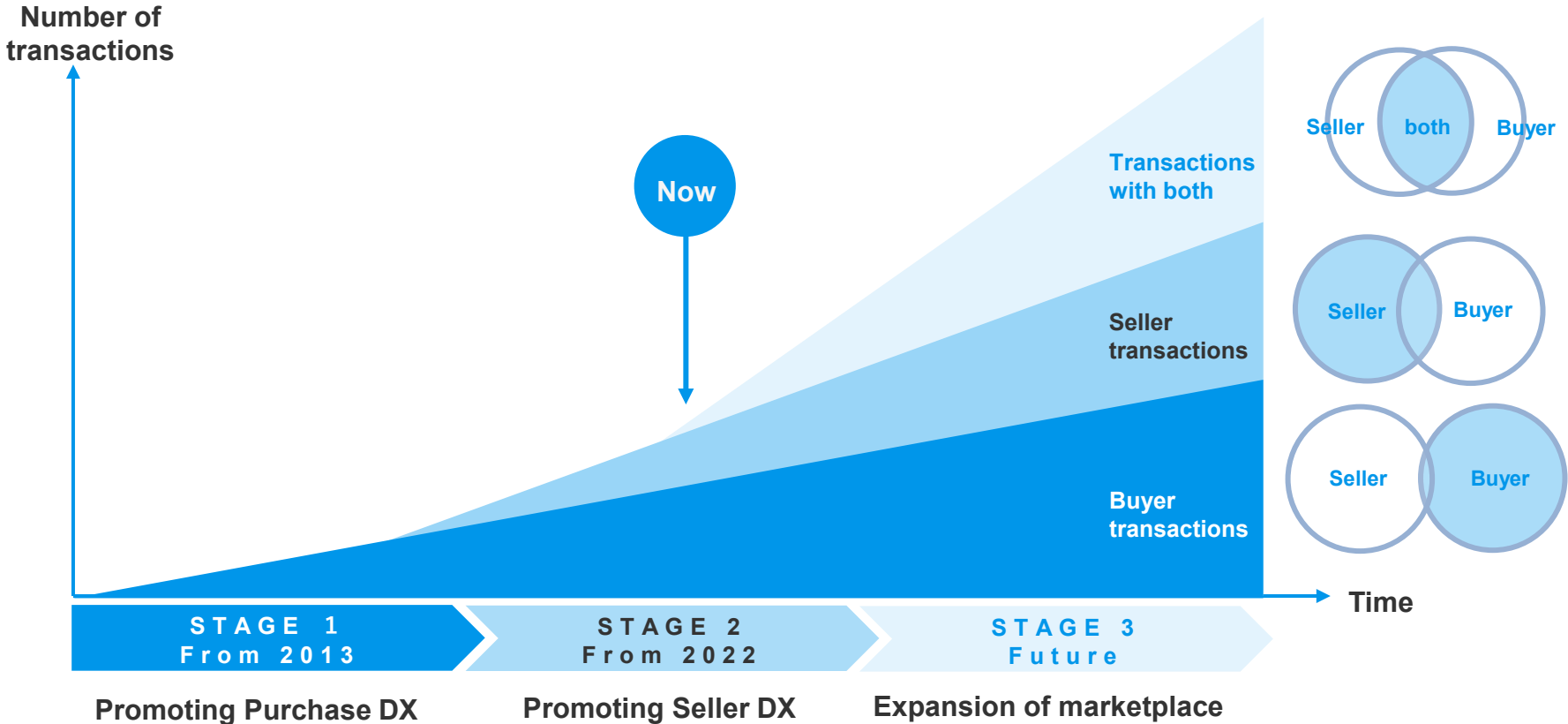
# RENOSY: Building an ecosystem

By building customer assets, create a buy/sell ecosystem and further expand the product line up 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 50m<sup>2</sup> 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 <sup>\*1,3)</sup>

Condominiums over the size of 50m<sup>2</sup> in the metropolitan area

SAM **6.9** trillion yen <sup>\*2,4)</sup>

Condominiums under the size of 50m<sup>2</sup> in the metropolitan area

SAM **1.5** trillion yen <sup>\*2,4)</sup>

Aim to expand share to **20%**

Grow to share of 9.3%

GA technologies share 7.1%

\*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 Kantai Co.,Ltd.: Press release *Newly built / existing apartments market size of Tokyo metropolitan area* (Jan. 2021), Tokyo Kantai 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



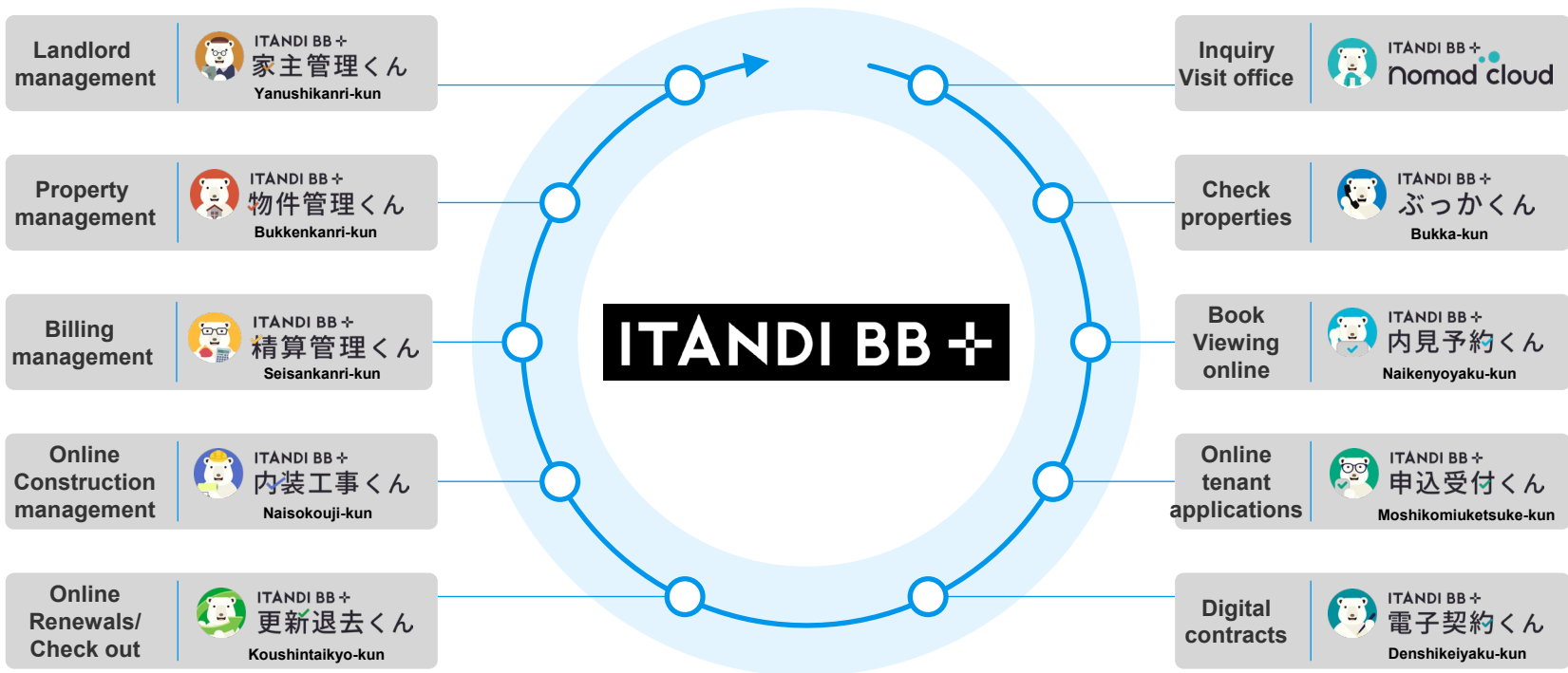
ITANDI BB +



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

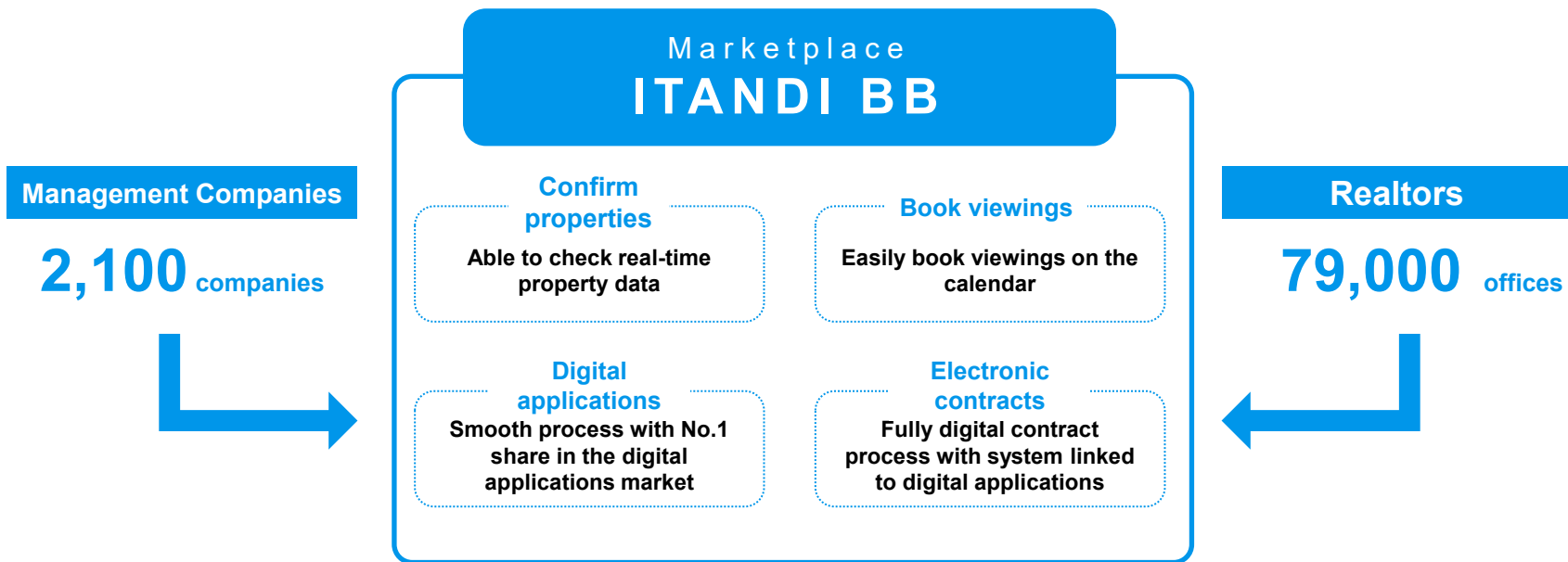




## What is ITANDI BB?

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



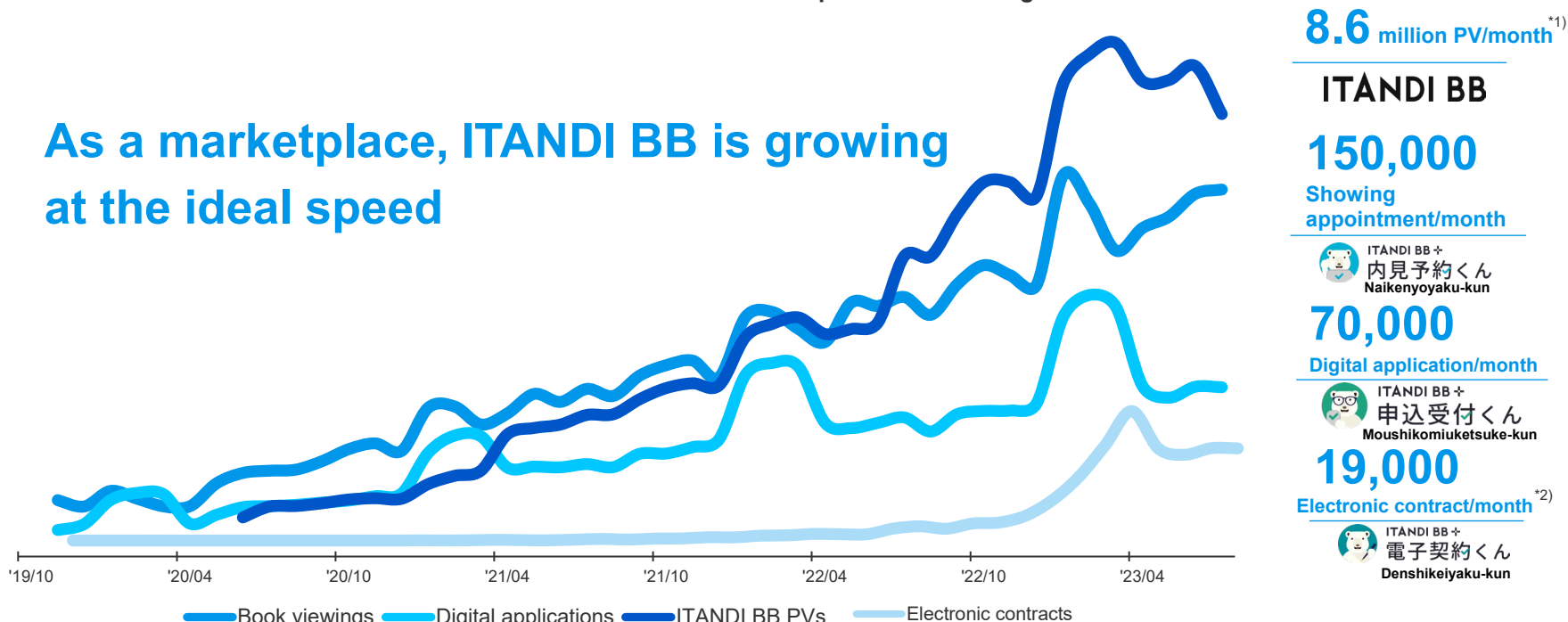
Topics by business segment ITANDI

# 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



8.6 million PV/month<sup>\*1)</sup>

ITANDI BB

150,000

Showing appointment/month

ITANDI BB ⇨  
内見予約くん  
Naikenyoyaku-kun

70,000

Digital application/month

ITANDI BB ⇨  
申込受付くん  
Moushikomiuketsuke-kun

19,000

Electronic contract/month<sup>\*2)</sup>

ITANDI BB ⇨  
電子契約くん  
Denshikeiyaku-kun

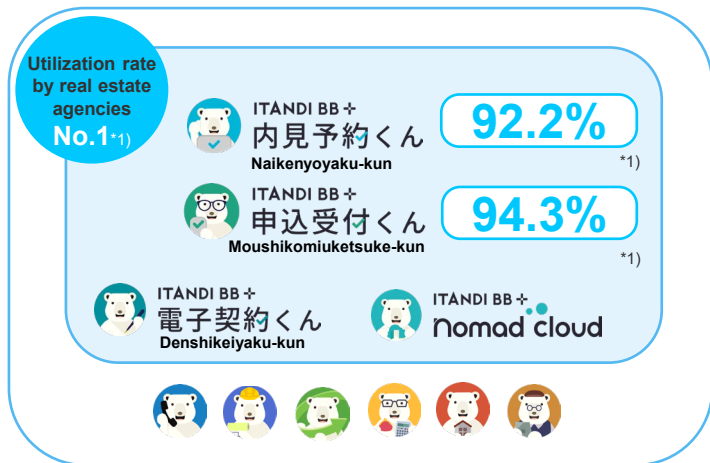
\*1) We switched to Google Analytics 4 as the data acquisition tool for the number of page views because Universal Analytics properties stopped processing hits on July 1, 2023. The figures from July 2022 (FY2022.10 3Q) onwards have been updated based on the data processing definitions used in Google Analytics 4 and are therefore different from the data presented in earlier financial results briefing materials

\*2) The number of electronic contracts shows the number of PDF documents signed with electronic contracts

# Actual utilization by real estate agencies

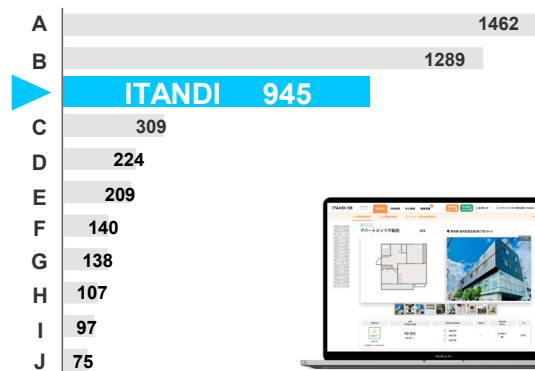
With Naikenyoyaku-kun, Moshikomiuketsuke-kun and Denshikeiyaku-kun as the No.1 service used by real estate agencies, number of properties have increased. This has put ITANDI in the top 3 in tools used to collect property information. A positive cycle is being formed

## ITANDI BB +



## ITANDI BB

### Tools most often used to collect property information<sup>\*1)</sup>



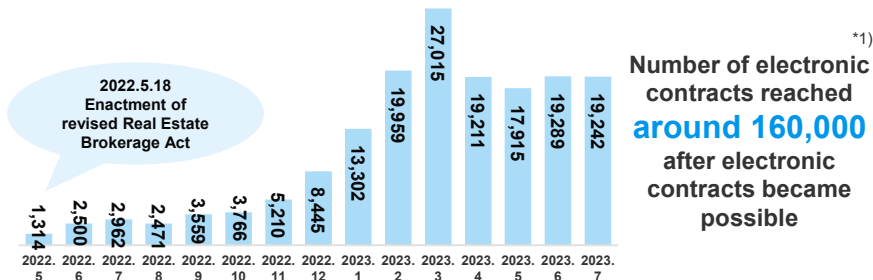
\*1) Leasing Management Consulting "Survey on the Impact of COVID-19 on the Rental Real Estate Market during the 2023 Moving Season (January-March)" (2023/01/24) n=405 (2023/07/26) n=333  
The numbers for "Tools most often used to collect property information" has been aggregated as First place: 5 points, Second place: 4 points, Third place: 3 points, Fourth place: 2 points, Fifth place: 1 point

# Usage results of Denshikeiyaku-kun

The number of electronic contracts reached around 160,000 after implementation of the revised Real Estate Brokerage Act and Denshikeiyaku-kun ranked No. 1 in electronic contract services used by real estate agencies, significantly ahead of the second ranking tool. More than 70% of tenants who used Denshikeiyaku-kun responded that an “electronic contract was better” as a lease contract

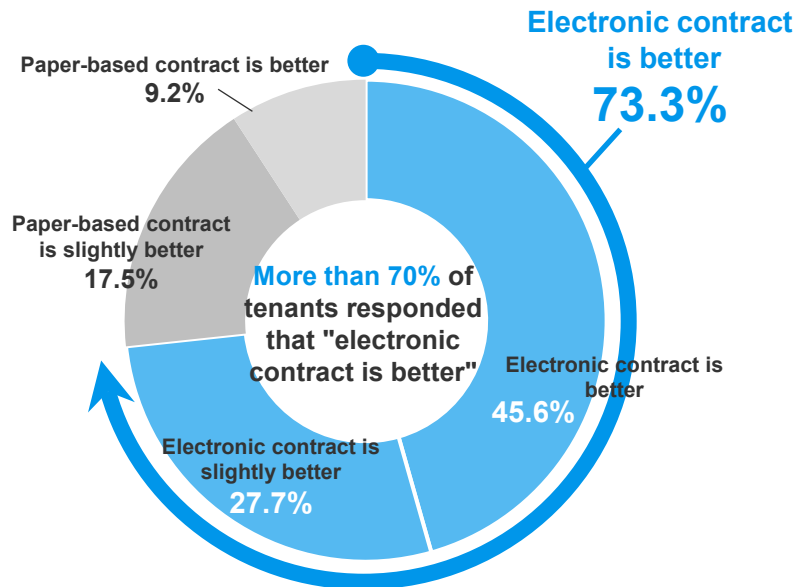
## Denshikeiyaku-kun usage results

### Number of electronic contracts using Denshikeiyaku-kun

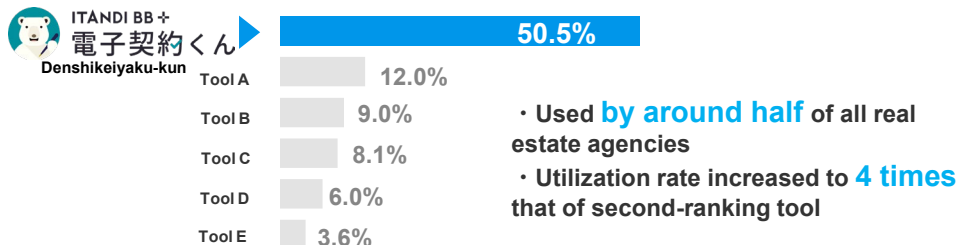


## Future preferred method of entering lease contract <sup>\*3)</sup>

### Survey of tenants who used Denshikeiyaku-kun in 2023



### Rate of usage of electronic contract tools by real estate agencies <sup>\*2)</sup>



\*1) The number of electronic contracts shows the number of PDF documents signed with electronic contracts

\*2) 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 (2023/07/26) n=333

\*3) Survey of tenants who used Denshikeiyaku-kun in 2023 (number of respondents = 519)

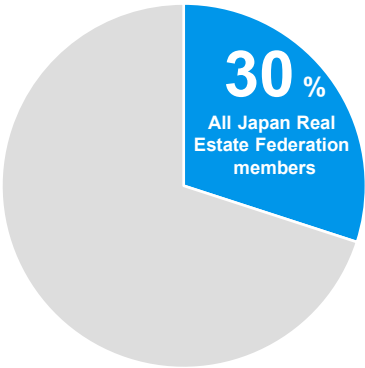
Topics by business segment ITANDI

# 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



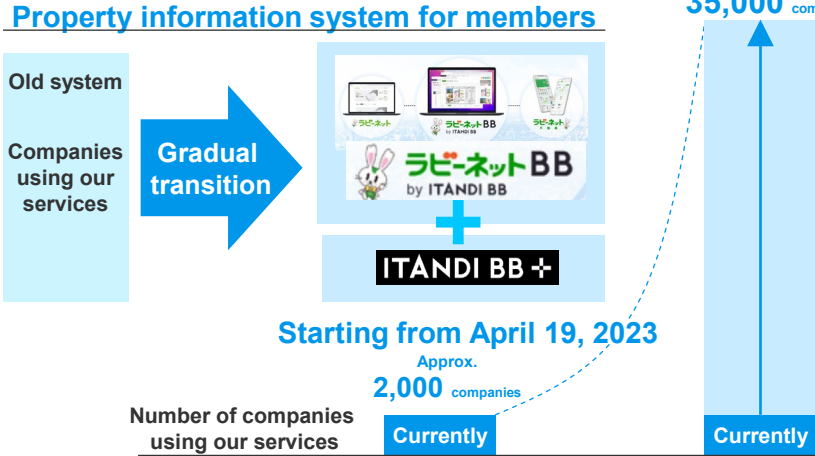
\*Not including some major real estate companies that are not members of guarantee associations

公益社団法人  
全日本不動産協会

- 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 initiative

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



Topics by business segment ITANDI

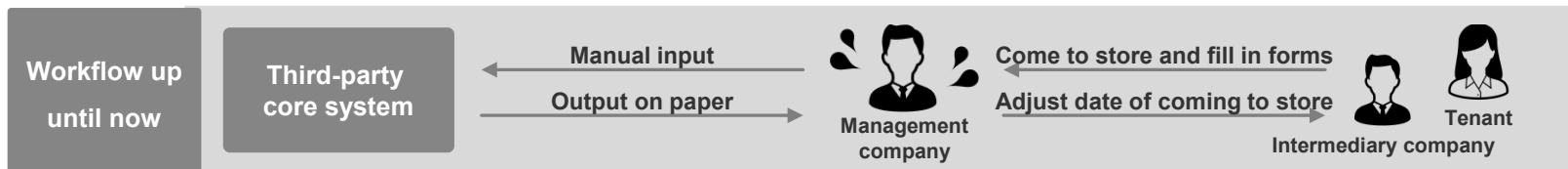
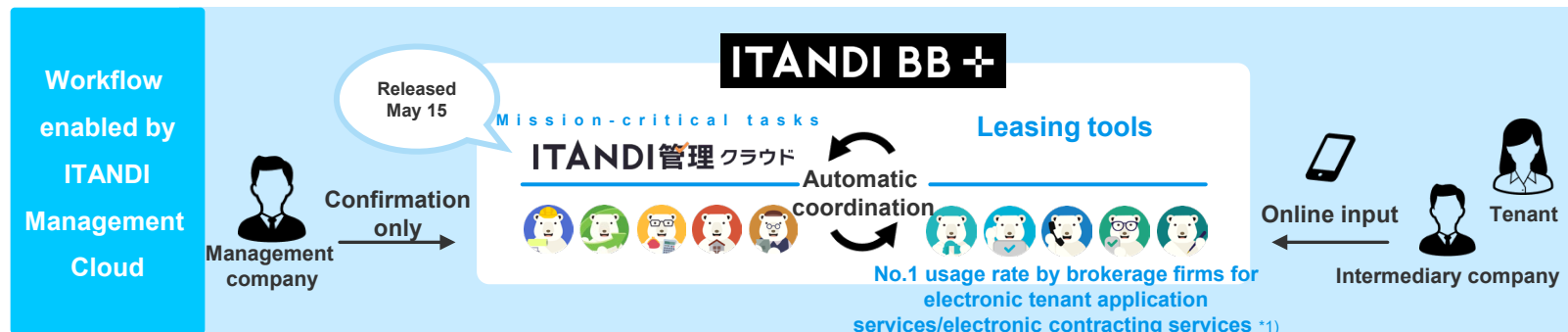
# Launched rental management system "ITANDI Management Cloud"

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

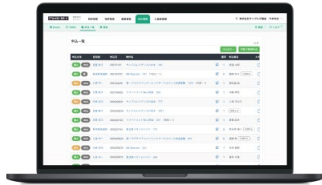


\*1) Leasing Management Consulting "Survey on the Impact of COVID-19 on the Rental Real Estate Market during the 2023 Moving Season (January-March)" (2023/01/24) n=405

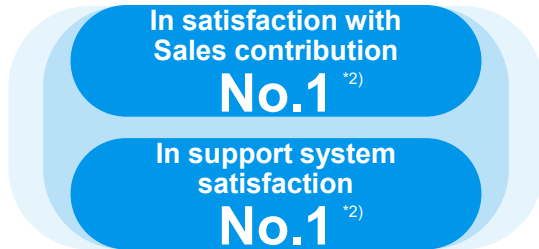
Topics by business segment ITANDI

# Share and customer satisfaction performance

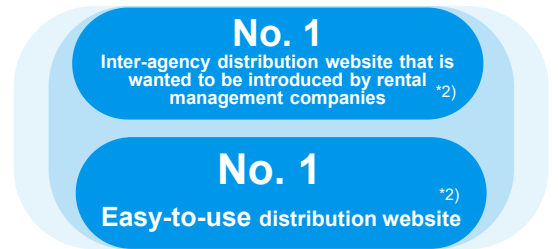
Digital tenant application services  
for management companies



Operational streamlining services  
for real estate agencies



Inter-agency distribution website



**ITANDI BB**



\*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

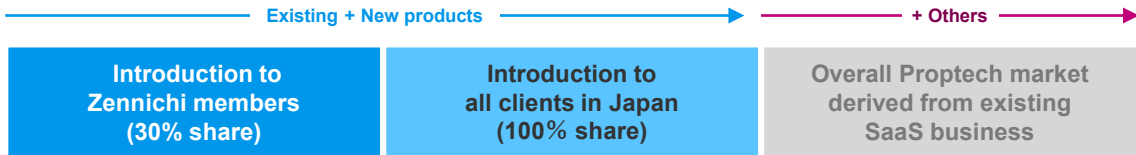
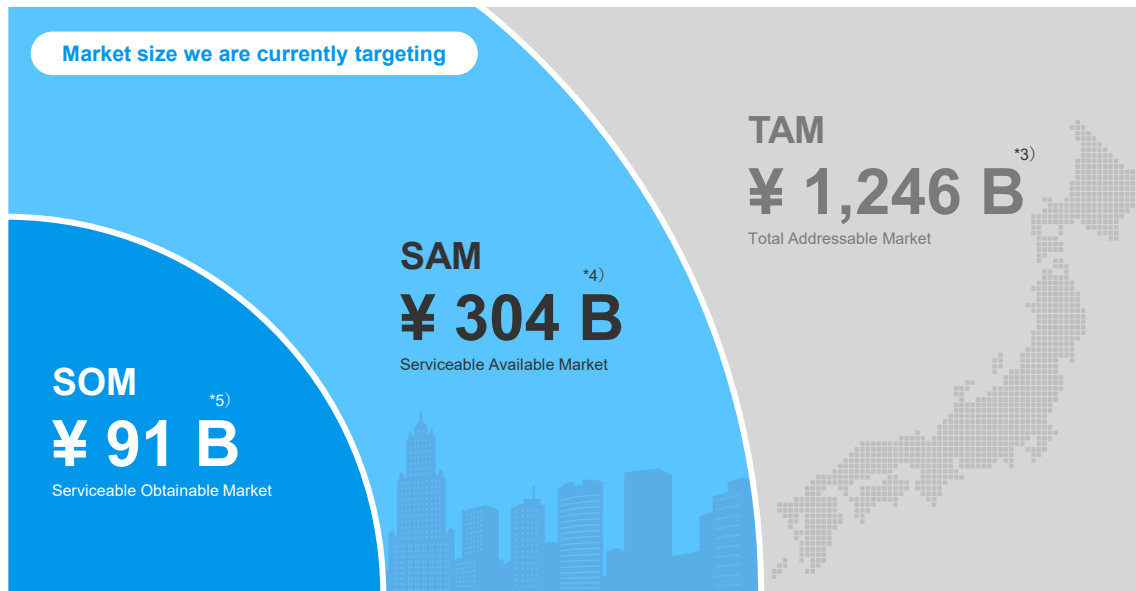
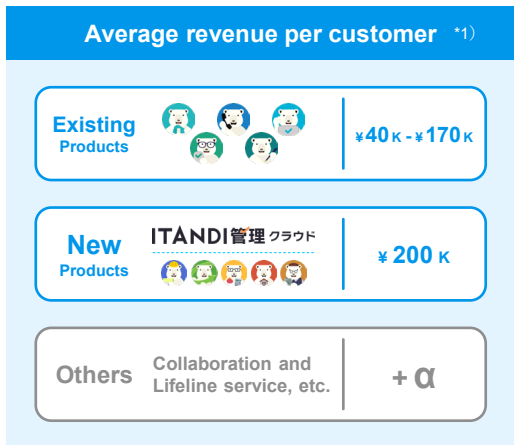
[Target of survey] Real estate agents listed on the register of real estate brokers, mainly in prefectural capitals and ordinance-designated cities, that have adopted a customer management system.

[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



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

\*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)

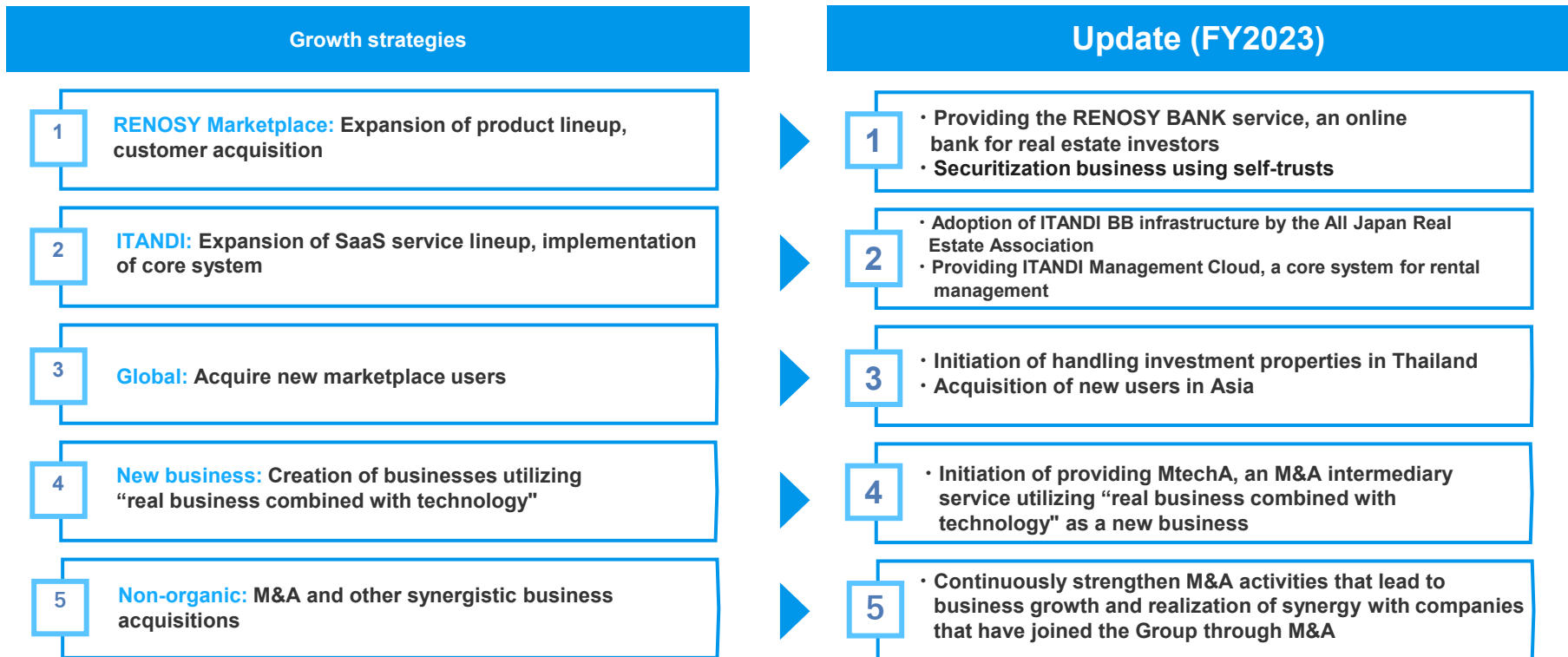
[B2B] Matching, Business Support (Business support, Value assessment), VR/AR, IoT (Smart lock) \*4) SOM = SAM × 30% \*5) SAM = Total ARR for each products = ①ARR of existing products for brokerage companies + ②ARR of existing products for management companies + ③ARR of new products for management companies 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

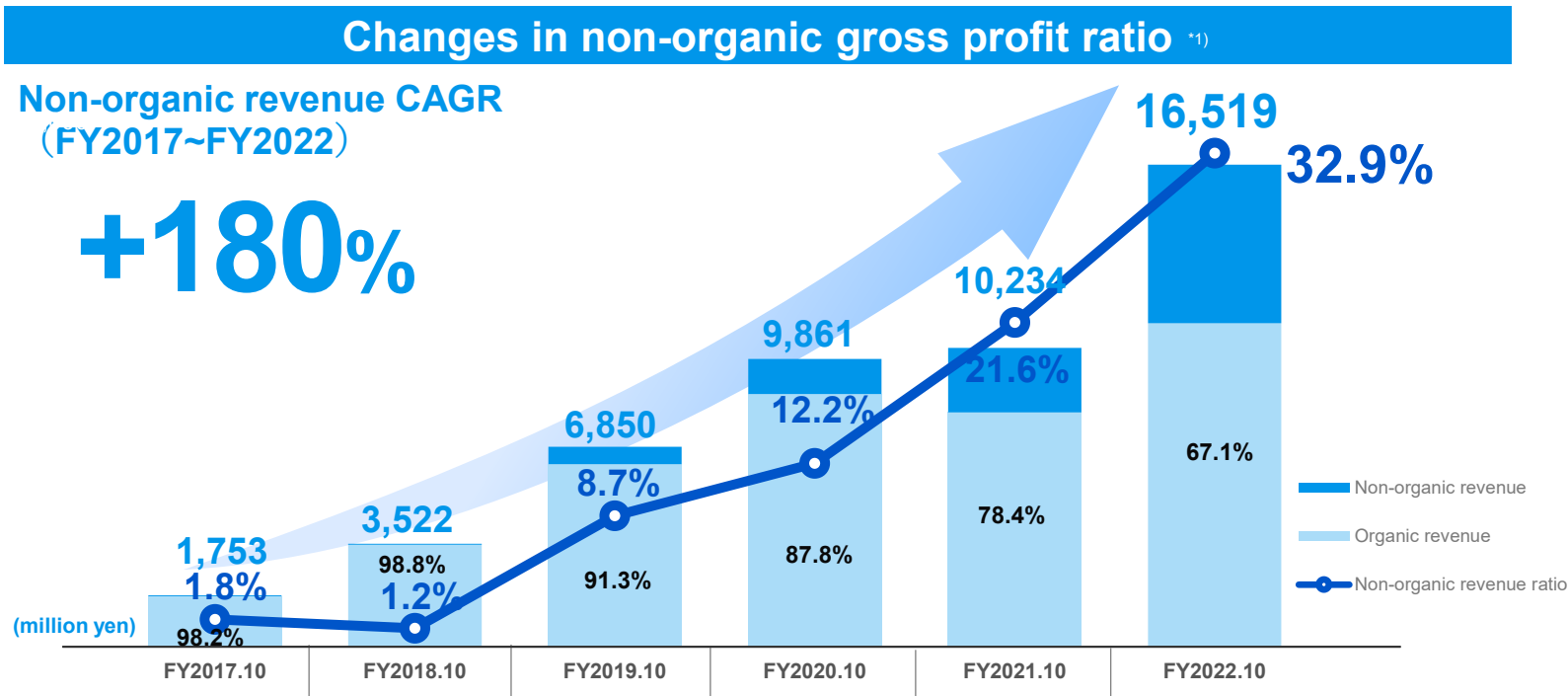
# Growth strategies update

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



# Trend of non-organic gross profit ratio

Non-organic gross profit as a percentage of total gross profit increased to 32.9% in 5 years  
 Non-organic gross profit CAGR is high at 180%



\*1) Calculated under JGAAP from FY10/2017 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 \*1)



- 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 customers in Greater China



- 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

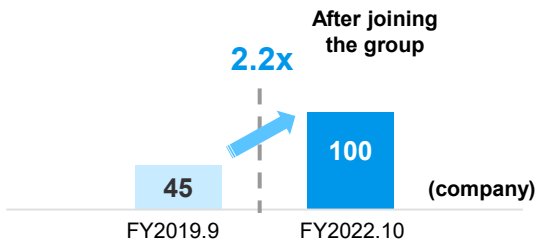
\*1) Major growth from the period immediately prior to M&A to the previous fiscal year (FY2022.10) for each company.

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

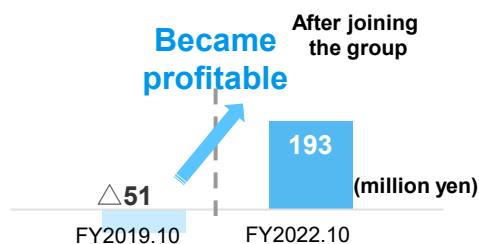
Improved performance of M&A target companies in the past in a speedy manner



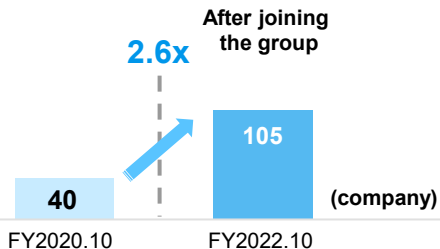
### No. of companies introduced



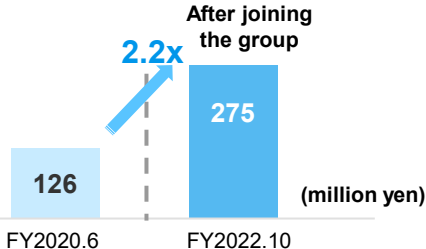
### Operating profit



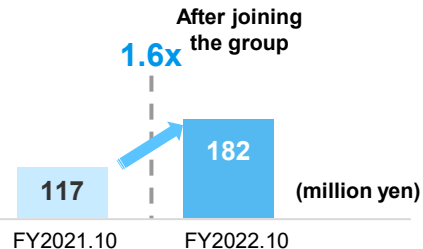
### No. of companies listed



### Operating profit



### Operating profit

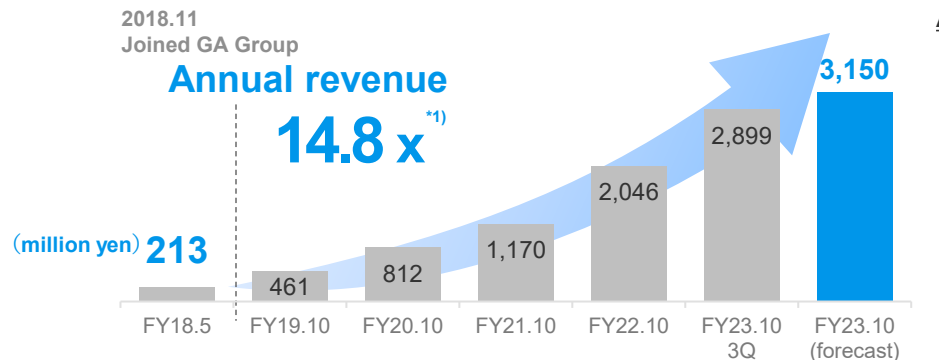


\*1) In April 2021, the company name was changed to RENOSY PLUS Co., Ltd.

# 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



<b>ARR</b>	509	800	1,125	1,917	<b>2,457</b>	(million yen)
<b>Total No. of clients</b>	252	566	1,135	1,893	<b>2,474</b>	(Companies)
<b>Churn rate</b>	-	0.73	0.43	0.47	<b>0.50</b>	(%)
<b>Unit economics</b>	-	14.0	28.0	25.5	<b>24.1</b>	(Multiplier)
<b>No. of products</b>	6	10	10	11	<b>12</b>	(Units)

### At time of M&A

(million yen)

Equity value ...①

2,800<sup>\*2)</sup>

### Latest FYE (FY2022.10)

(million yen)

FY2023.10

Forecasted revenue...②

3,150

Estimated PSR...③<sup>\*3)</sup>

8.0 ~ 10.0x

② × ③  
Estimated equity value...④

25,200~31,500

④/①

Increase in equity value

9.0 ~ 11.3x

\*2) Calculated based on our acquisition price of ITANDI shares

\*3) 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

\*1) Comparing ITANDI's annual revenue in FY2018.5 before joining GA Group with ITANDI segment annual revenue (forecast) in FY2023.10

# Summary of balance sheet

(million yen)		FY2021.10	FY2022.10 <sup>(1)</sup>	FY2023.10 2Q <sup>(2)</sup>	Amount of Change (2)-①
Current assets	Cash & cash equivalents	15,275	11,842	11,366	-476
	Inventories <sup>*2)</sup>	2,891	8,056	11,457	3,401
	(Turnover period <sup>*3)</sup>	(12.1days)	(20.6days)	(29.1days)	(8.5days)
	Trade receivables <sup>*4)</sup>	284	667	835	168
	(Turnover period <sup>*5)</sup>	(1.2days)	(1.8days)	(2.0days)	(0.2days)
	Others	1,003	2,298	3,454	1,156
Non-current assets		29,140	32,309	30,775	-1,534
Total assets		48,593	55,172	57,888	2,716
Liabilities	Trade payables <sup>*5)</sup>	1,531	2,073	2,196	123
	(Turnover period <sup>*2)</sup>	(8.6days)	(6.8days)	(6.4days)	(-0.4days)
	Others	29,390	33,792	35,529	1,737
Equity	Share capital	7,129	7,238	7,261	23
	Retained earnings	-419	-32	599	631
	Others	10,962	12,100	12,302	202
Total liabilities and equity		48,594	55,172	57,888	2,716

Low working capital :  
Strict control of Cash Conversion Cycle (CCC)<sup>\*6)</sup>

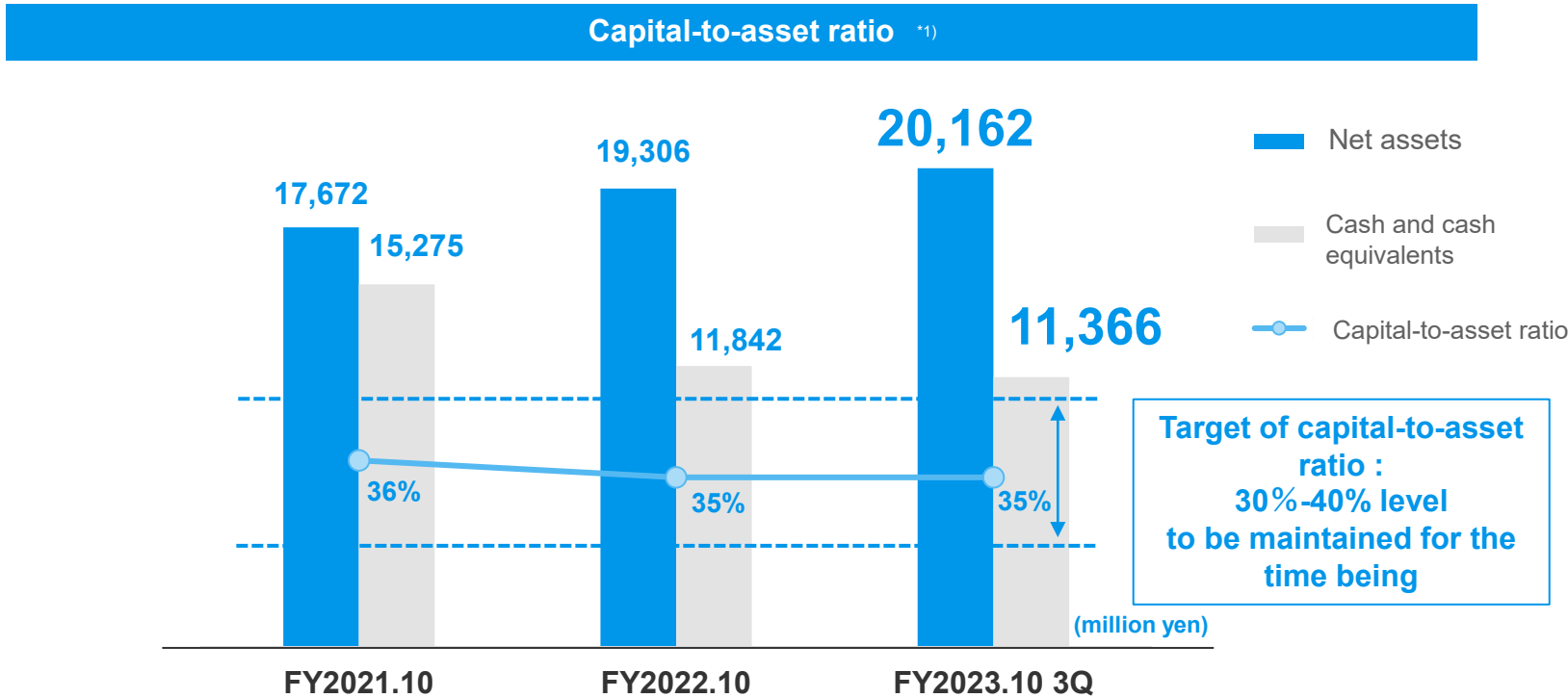
Stable financial base  
(Sound capital-to-asset ratio)

Shareholder return policy:  
Total Shareholders Return (TSR)<sup>\*7)</sup>

\*1) For the second quarter of the fiscal year ending October 31, 2023, the Company is finalizing the provisional accounting treatment for the business combination, and each figure for the fiscal year ending October 31st, 2022, reflects the details of the finalization of the provisional accounting treatment \*2) Inventories \*3) Averages during the applicable period are used for inventory, operating credit, and operating liabilities when calculating turnover time \*4) Trade and other receivables \*5) Trade and other payables \*6) CCC (Cash Conversion Cycle) = Inventory turnover days + Receivables turnover days - Accounts Payable Turnover days \*7) 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



\*1) For the second quarter of the fiscal year ending October 31, 2023, the Company is finalizing the provisional accounting treatment for the business combination, and each figure for the fiscal year ending October 31st, 2022, reflects the details of the finalization of the provisional accounting treatment



# Objectives for financial figures

	FY2022.10 results	FY2023.10 2Q results	Medium-term target
Revenue growth rate	51.7 %	27.4 %	▶ Continuous revenue growth 20~30 %
SaaS revenue growth rate	74.8%	67.8%	▶ Continuous revenue growth 40~50 %
Consolidated gross profit ratio	14.6%	16.0%	▶ ~20 %
Cash Conversion Cycle (CCC)	15.6 days	24.6 days	▶ Within 30 days
Capital-to-asset ratio	35%	35%	▶ 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 age 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~

## Environmentally conscious business activities

### Consideration for the global environment



The number of Group companies working to go paperless through DX in the real estate industry has increased, including ITANDI, which provides “Denshikeiyaku-kun,” the use of which expanded after implementation of the revised Real Estate Brokerage Act in May 2022, RENOSY, which is promoting online real estate transaction procedures, RENOSY ASSET MANAGEMENT, which is responsible for digitizing occupancy management, and Shenjumiaosuan, which operates the largest Japanese real estate platform for Greater China, contributing to a reduction of 11.77 million sheets of paper for the Group as a whole

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

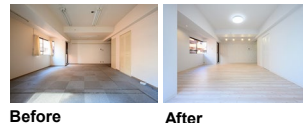


Based on three themes as sustainability activities, GA technologies and RENOSY ASSET MANAGEMENT to realize measures to contribute to sustainable community development through revitalization and minimal renovation of existing properties.

Pre-owned condominium sales



Reducing vacancies with minimum renovation for rental condominiums



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

MORTGAGE GATEWAY

Loan screening platform to prevent data tampering

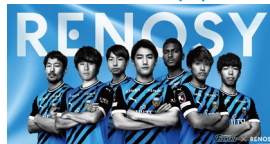
**MORTGAGE GATEWAY** by RENOSY

## Contributing to society through sports



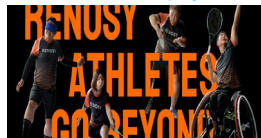
We support people who continue to challenge themselves to achieve their dreams in the field of sports by supporting professional sports teams, educational institutions, and hiring para-athletes. We also work to foster a sports culture within the company

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 ～

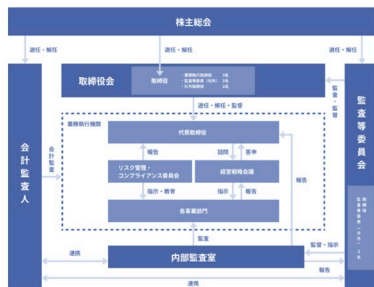
Creating new value through Technology x Innovation while managing with good governance

### 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



## 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

**GA TECHNOLOGIES**

In-house developed loan screening support system

**MORTGAGE GATEWAY**  
by RENOSY



Guaranteed high security by no human operation after the submission of screening information from the customer

Submits screening information via My Page



Property suggestions



Sales Division

Chinese wall  
(loan screening that does not pass through the Sales Division)



Finance Division



Financial institutions

# 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**



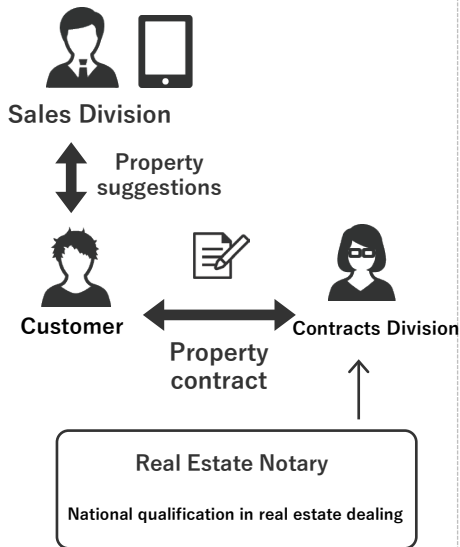
In addition, strengthening of training for Sales Division managers

Implemented once every 2 weeks

Also holding occasional compliance training

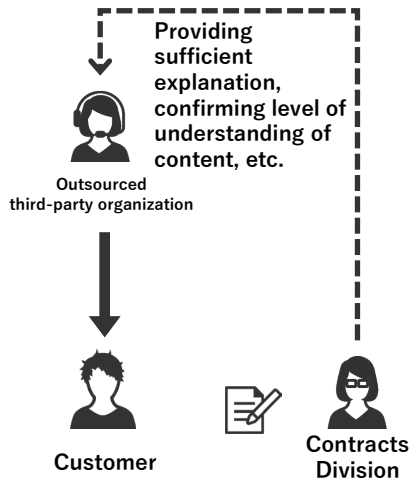
④

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



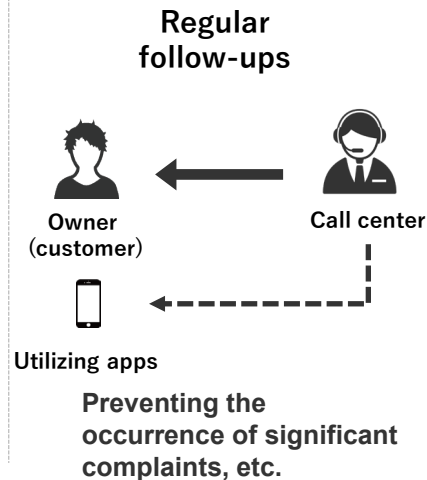
⑤

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 <sup>\*1,9)</sup>

FY2022

Scope1 <sup>*2)</sup>	0
Scope2 <sup>*3)</sup>	384
Scope1,Scope2 total	384
Electricity consumption(kwh)	860,275
CO <sub>2</sub> emissions per unit of production	420

■ Governance <sup>\*9)</sup>

FY2022

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

■ Social <sup>\*9)</sup>

FY2022

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

\*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 3Q ①	FY2022.10 3Q ② *2)	Amount of change (①-②)	Percentage of change (①/②-1)
<b>Revenue</b>	<b>35,560</b>	<b>28,774</b>	<b>6,785</b>	<b>+ 24%</b>
<b>Gross profit</b>	<b>5,758</b>	<b>4,422</b>	<b>1,335</b>	<b>+ 30%</b>
<b>Business profit</b>	<b>693</b>	<b>462</b>	<b>231</b>	<b>+ 50%</b>
<b>Finance costs</b>	<b>172</b>	<b>128</b>	<b>44</b>	<b>+34%</b>
<b>Profit for the period</b> *1)	<b>243</b>	<b>221</b>	<b>21</b>	<b>+ 10%</b>

#### Progress on forecast

(million yen)

FY2023.10 3Q Accumulative amount ③	FY2023.10 Earning Forecast④	Achievement rate (③ / ④)
<b>98,971</b>	<b>145,500</b>	<b>68%</b>
<b>15,786</b>	<b>21,800</b>	<b>72%</b>
<b>1,604</b>	<b>2,150</b>	<b>75%</b>
<b>456</b>	<b>N/A</b>	<b>-</b>
<b>620</b>	<b>940</b>	<b>66%</b>

\*1) Profit for the period refers to profit attributable to owners of parent

\*2) For the second quarter of the fiscal year ending October 31, 2023, the Company is finalizing the provisional accounting treatment for the business combination, and each figure for the fiscal year ending October 31st, 2022, reflects the details of the finalization of the provisional accounting treatment

## 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 real estate for sale increased to eliminate lost opportunities

(million yen)

	FY2023.10 3Q ①	FY2022.10 4Q ② *3)	Amount of changes (①-②)	Percentage of change (①/②-1)
<b>Total assets</b>	<b>57,888</b>	<b>55,172</b>	<b>2,715</b>	<b>+5%</b>
<b>Current assets</b>	<b>27,112</b>	<b>22,863</b>	<b>4,249</b>	<b>+19%</b>
(Cash and cash equivalents)	(11,366)	(11,842)	(△475)	(△4%)
(Real estate for sale)	(11,286)	(7,980)	(3,305)	(+41%)
(Other financial assets)*1)	(1,734)	(982)	(752)	(+77%)
<b>Fixed assets</b>	<b>30,775</b>	<b>32,309</b>	<b>△1,533</b>	<b>△5%</b>
(Investment property)	(12,161)	(14,607)	(△2,445)	(△17%)
(Goodwill)	(7,952)	(7,464)	(487)	(+5%)
(Intangible assets)	(4,103)	(3,582)	(375)	(+10%)
(Right-to-use assets)	(2,069)	(2,426)	(△356)	(△15%)
<b>Liabilities</b>	<b>37,725</b>	<b>35,865</b>	<b>1,860</b>	<b>+5%</b>
(interest-bearing debt)	(28,369)	(29,206)	(△837)	(△3%)
(Other financial liabilities)*2)	(4,094)	(2,831)	(1,263)	(+45%)
<b>Net assets</b>	<b>20,162</b>	<b>19,306</b>	<b>855</b>	<b>+4%</b>
<b>Total liabilities and net assets</b>	<b>57,888</b>	<b>55,172</b>	<b>2,715</b>	<b>+5%</b>

\*1) Including financial assets for NEO income plans

\*2) Including financial liabilities for NEO income plans

\*3) For the second quarter of the fiscal year ending October 31, 2023, the Company is finalizing the provisional accounting treatment for the business combination, and each figure for the fiscal year ending October 31st, 2022, reflects the details of the finalization of the provisional accounting treatment

# 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**<sup>\*1)</sup> 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**<sup>\*2)</sup> 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

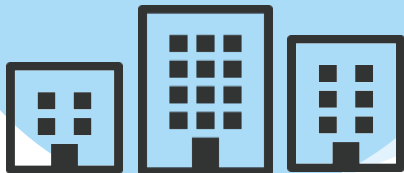
## Target of Seller DX (sellers)

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

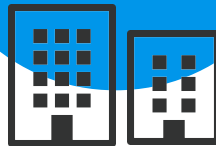
Approx. 6.859<sup>\*1)</sup>  
million units



### TAM

Our target  
(Condominiums of up to 50m<sup>2</sup>)

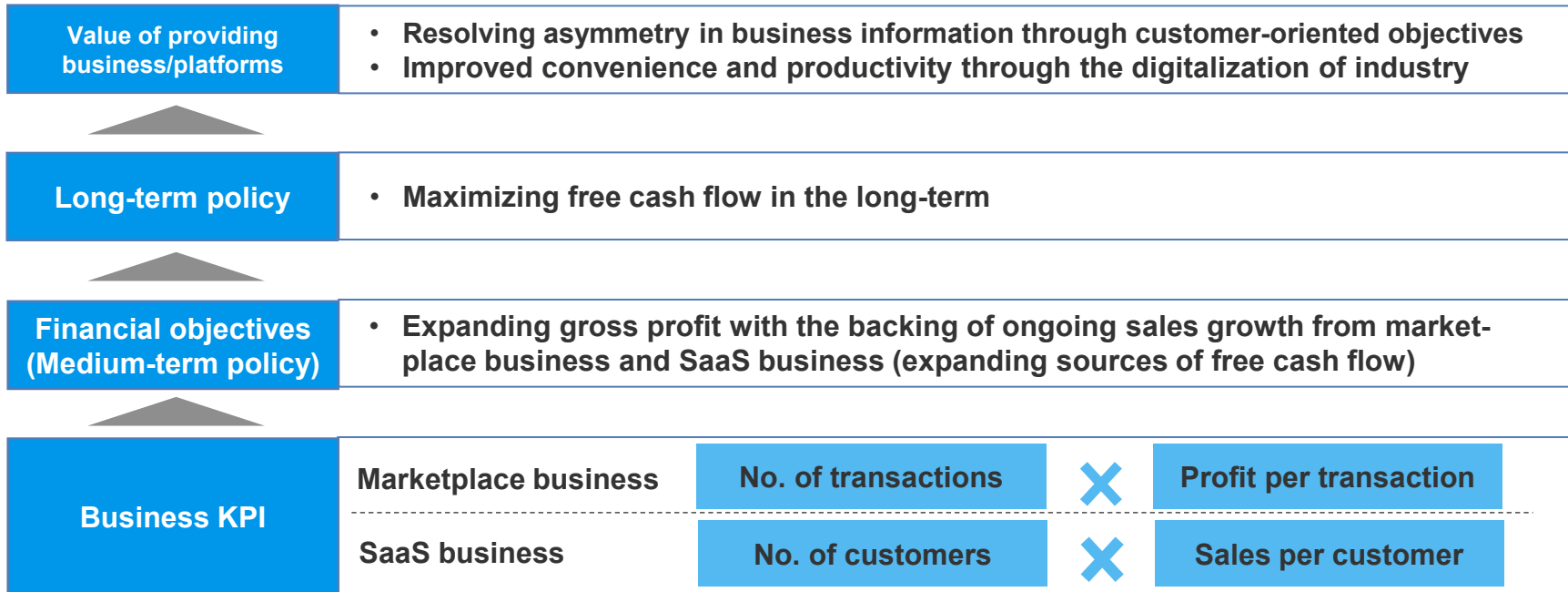
Approx. 2.81<sup>\*1)</sup>  
million units



\*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](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](https://smtrc.jp/useful/knowledge/market/2016_06.html)

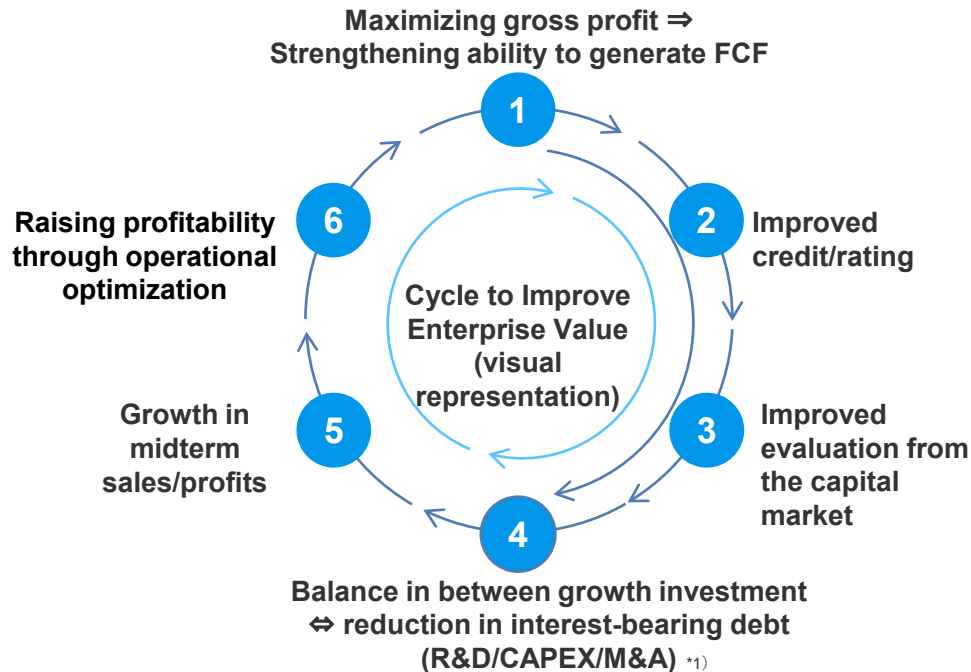
## Strategy to maximize the enterprise value (1/2)

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



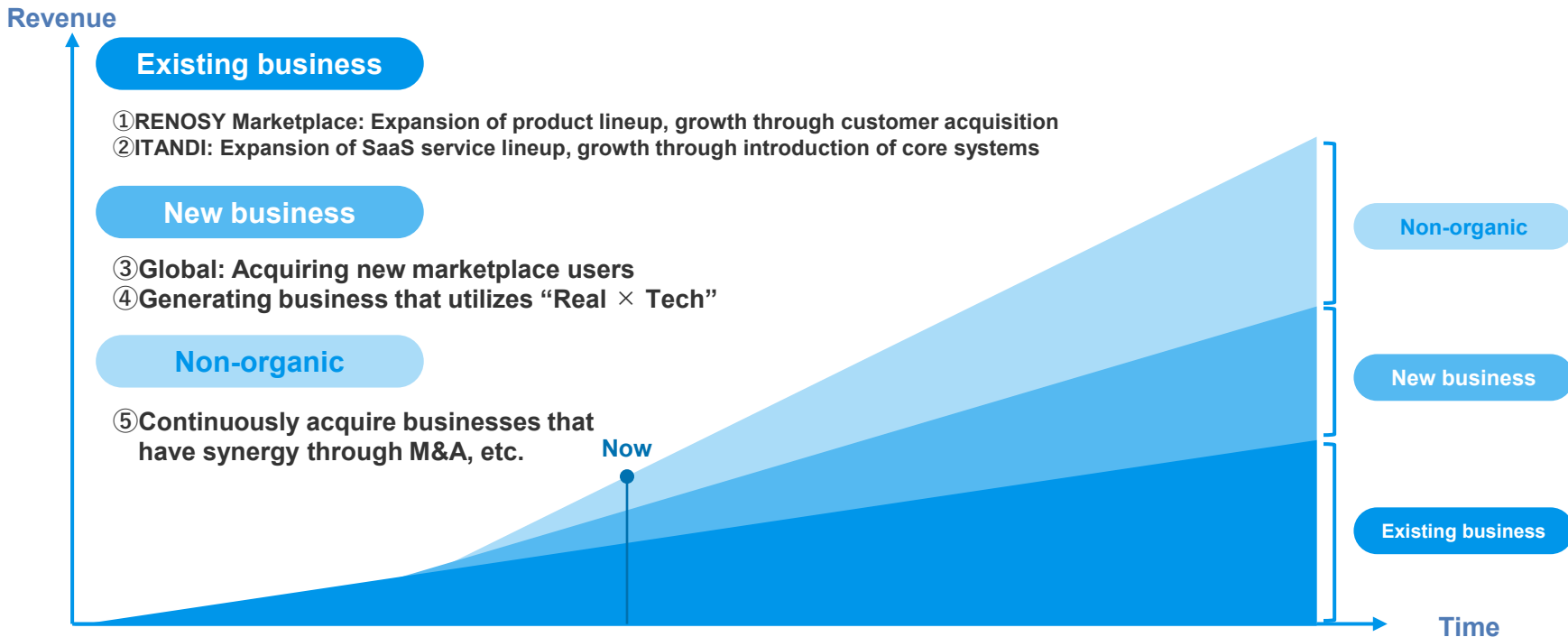
### Cycle of enterprise value improvement

- 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-to-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

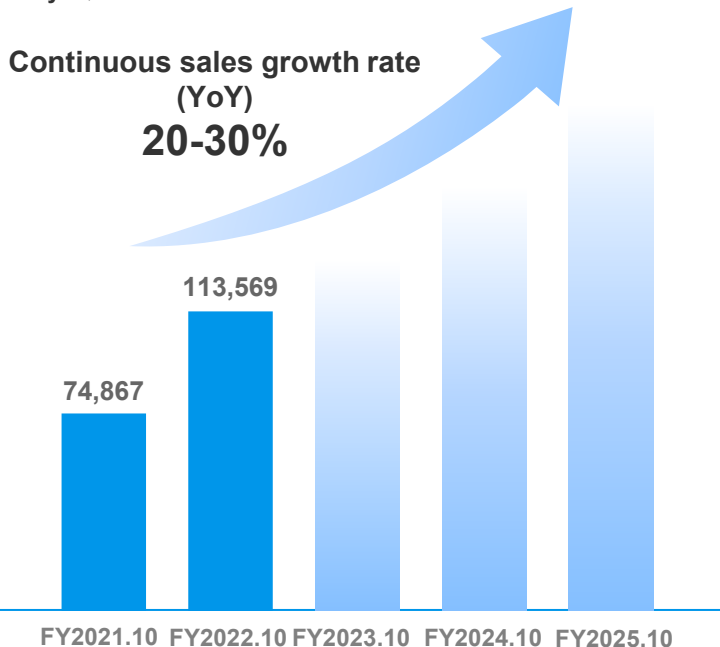


## Consolidated Revenue / Gross profit objectives

Expanding business while balancing growth in both top line and profits

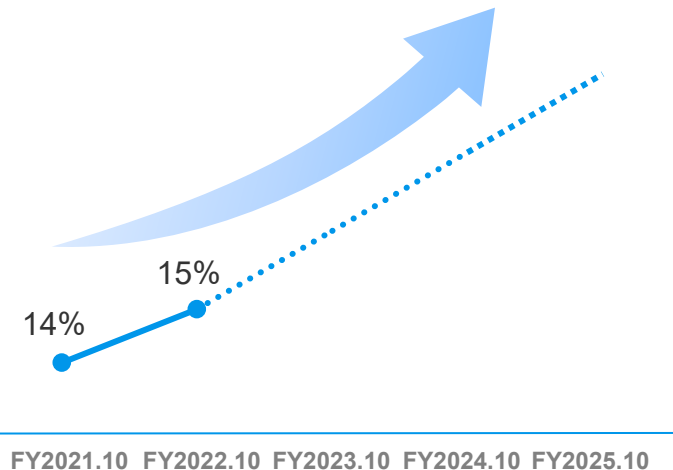
### Consolidated revenue

(million yen)



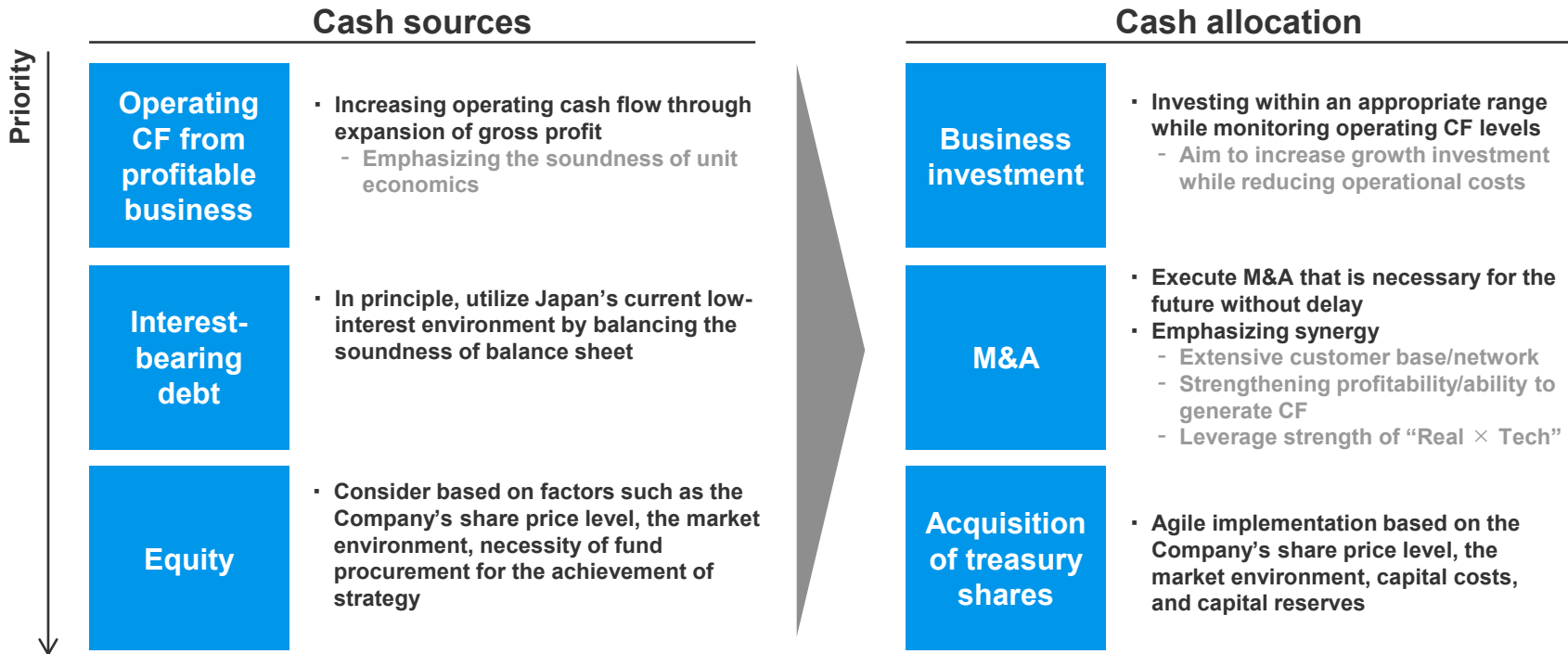
### Consolidated gross profit ratio

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)

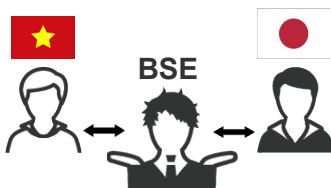
Profitability ratio from equity investment  
Dividend + Capital gain



## Enhancement of measures to recruit

### Implementing distinctive and unique measures to recruit superior personnel

#### Offshore development at Vietnam



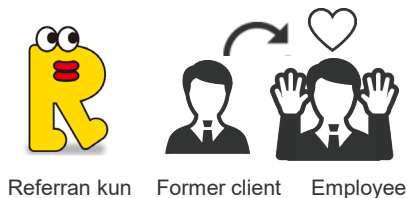
Offshore development in Vietnam, which has a large number of highly-skilled IT personnel. Train bridge SEs in-house to reduce mis-communication. Gain cost and speed benefits

#### 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

## Appendix

## List of indicator definitions and notes

Items	Definition and calculation (ITANDI)
<b>Unit economics</b>	Multiple of CLV divided by CAC over the last 12 months. Unit : Multiple
<b>LTV (Lifetime Value)</b>	Monthly gross profit (including Lifeline Services Revenue), divided by the average churn rate over the last 12 months. Unit : JPY
<b>CAC (Customer Acquisition Cost)</b>	Historical 12-month average /Includes sales personnel costs, planning. Public relations/marketing costs, advertising costs, and onboarding personnel costs. Unit : JYP
<b>CAC payback period</b>	CAC divided by single month gross profit per customer. Unit: Months
Notes	Contents
<b>Real estate companies</b>	*1) Source: Real Estate Transaction Improvement Organization "Statistics on Registered Real-Estate Broker at the End of Fiscal Year 2021"
<b>No. of Target properties</b>	*2) Calculated from : Ministry of Land, Infrastructure, Transport and Tourism Survey Results of the Comprehensive Condominium Survey for FY 2008 Data Edition : <a href="https://www.mlit.go.jp/jutakukentiku/house/jutakukentiku_house_tk5_000058.html">https://www.mlit.go.jp/jutakukentiku/house/jutakukentiku_house_tk5_000058.html</a> Sumitomo Mitsui Fudosan Used Condominium Exclusive Area Trends June 2016 : <a href="https://smtrc.jp/useful/knowledge/market/2016_06.html">https://smtrc.jp/useful/knowledge/market/2016_06.html</a>
<b>No. of properties held by RENOSY owners</b>	*3) As of January 31 2023 Number of properties held by RENOSY owners
<b>No.1 in real estate investment</b>	*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 Shokai Research, Ltd.
<b>Annual income of 5 million yen+</b>	*5) Source: National Tax Administration Agency, Results of the Private Sector Salary Survey, FY2020 data compiled by the Company.
<b>Financial assets of 50 million yen+</b>	*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
<b>RENOSY members</b>	*7) As of January 31 2023 Number of RENOSY members
<b>No. 1 in brokerage firm use of electronic tenant application service/electronic contracting service</b>	*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
<b>No. of managing house</b>	*9) Totals from the 2016 Economic Census for Business Activity survey results, Ministry of Internal Affairs and Communications/Ministry of Economy, Trade and Industry
<b>No. of rental agency contracts annually</b>	*10) REAN JAPAN Market Report ~ 1st Edition_2020_1224 <a href="https://rean-japan.jp/images/REAN-JAPAN-Market-Report%E7%AC%AC1%E7%89%88_2020_1224.pdf?20201223">https://rean-japan.jp/images/REAN-JAPAN-Market-Report%E7%AC%AC1%E7%89%88_2020_1224.pdf?20201223</a>

## Appendix

## List of group companies

<u>Company</u>	<u>% of shareholding</u>	<u>Date of M&amp;A/establishment <sup>*1)</sup></u>	<u>Business Activities</u>
ITANDI, Inc.	100%	Nov. 2018	Provides ITANDI BB+ SaaS series for rental companies, ITANDI BB website for real estate agents, and "OHEYAGO" B2C online real estate rental service
RENOSY PLUS Co., Ltd. <sup>*2)</sup>	100%	Jan. 2020	Provides luxury rental brokerage and real estate transaction services, mainly dealing in luxury condominiums and tower condominiums in Tokyo
RENOSY FINANCE Inc.	100%	Nov. 2018 Established	Provide a one-stop lending service for renovation expenses for real estate owners
RENOSY X Co., Ltd.	100%	Nov. 2019 Established	Development/operation of mortgage loan application platform service "MORTGAGE GATEWAY", etc.
RENOSY ASSET MANAGEMENT Co., Ltd. <sup>*3)</sup>	100%	Nov. 2018	Provide a variety of management plans for property owners on a subscription basis (flat-rate use)
Shenjумiaosuan Co., Ltd.	100%	Sept. 2020	Operate Shenjумiaosuan Co., Ltd., a platform for matching investors in Greater China with real estate in Japan
GA technologies (Shanghai)Co., Ltd	100%	Sept. 2020	Providing technical services, technical development, technical consulting, etc. in the areas of information technology and computer technology
Partners Co., Ltd.	100%	June 2021	Provides real estate sales DX services on the online real estate marketplace "RENOSY".
Ricordi Co., Ltd.	100%	March 2022	Provide services utilizing new compact-size condos
RENOSY(Thailand) Co.,Ltd.	100% <sup>*4)</sup>	May 2022	Operate "dearlife", a rental platform for expatriates in Thailand
MtechA Inc.	100%	Aug. 1, 2022 Established	Provide MtechA, an M&A brokerage DX service leveraging AI and other technologies
Dangonet Co.,Ltd.	100%	Sept. 2022	Development and operation of "Rental Meijin", the core software for rental management operations
Spica Consulting Inc.	51.5%	July 2023	Provide complete industry-specific M&A brokerage services

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

<sup>\*3)</sup> Company name changed from Regal Lease Guarantee Corporation to RENOSY ASSET MANAGEMENT Corporation in May 2020

<sup>\*4)</sup> 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 (July 31, 2023)
Number of employees*1)	1,105 people (July 31, 2023)
Business Description	<ul style="list-style-type: none"> <li>Development and operation of the online real estate investment service brand RENOSY</li> <li>Development of SaaS type of BtoB PropTech products</li> </ul>
Directors	<p>President and Chief Executive Office: Ryo Higuchi</p> <p>Director Vice President and Executive Officer and Chief Sales Officer: Fumio Sakurai</p> <p>Director and Managing Executive Officer: Dai Higuchi</p> <p>Outside Director: Ken Kutaragi, Piotr Feliks Grzywacz</p> <p>Outside Director Audit and Supervisory Committee Member: Tomohisa Matsuba, Toshiro Kuwahara, Saori Sato</p>

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

## Disclaimer

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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.

GA technologies has no obligation to update or correct the forward-looking statements contained in this material, regardless of any new information, future events, etc.

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