

# AMBITION DX HOLDINGS Co., Ltd.

## First Quarter of FY06/2024 Materials for Financial Results Briefing

November 14, 2023

TSE Growth:

3300

# Table of Contents

- 1. Financial results overview  
1Q of FY06/2024**
- 2. Performance overview by segment**
- 3. Strategies and future outlook of  
AMBITION DX HOLDINGS**
- 4. Performance/Dividend forecasts  
FY06/2024 (full-term)**

# Financial results overview

## 1Q of FY06/2024

# Performance highlights

## Company-wide

Net sales  
**7,100** mil. yen  
(0.7% Down YoY)

Operating profit  
**-185** mil. yen  
(FY2023: 159 mil. yen)

Ordinary profit  
**-234** mil. yen  
(FY2023: 135 mil. yen)

Net profit  
**-181** mil. yen  
(FY2023: 51 mil. yen)

## Leasing DX

Number of houses  
under management  
**24,610**  
(+525 YoY)  
(subleased: 13,996)

Occupancy rate  
**98.4%**  
(highest ever in 1Q)

## Sales/Purchase DX

Houses sold  
**31**  
(-37 YoY)

Houses purchased & resold  
**24**  
(+7 YoY)

# Performance topics

## ① Company-wide

- Net sales: **7,100 mil. yen** (0.7% Down YoY); Operating profit: **-185 mil. yen** (FY2023: 159 mil. yen)
- Allocating sales of a newly built condominium for investment was delayed to 2Q, but sales stayed at almost same level as FY2023. SG&A expenses increased due to efforts on HR and DX.
- Full-term forecast of Operating profit is 2,006 mil. yen (25.1% Up YoY)
- Demonstration experiments started for utilizing cutting-edge technologies such as ChatGPT, NFT gaming condominium, generative AI, and blockchain for our business

## ② Leasing DX

- Property Management Business
- Net sales: **4,904 mil. yen** (7.0% Up YoY)
- Operating profit: **393 mil. yen** (20.5% Up YoY)
- **Highest profit ever** in 1Q;  
and **Record-high occupancy rate of 98.4%**

## ③ Sales/Purchase DX

- Net sales: **1,777 mil. yen** (22.8% Down YoY)
- Operating profit: **-58 mil. yen** (FY2023: 253 mil. yen)
- **31 houses** were sold (-37 YoY)
- Delivery of 36 houses of “PREMIUM CUBE Ikebukuro Honcho” was delayed

## ④ Incubation Business

- One investee got newly listed
- Another one company was newly invested and 30 venture companies have been invested so far
- All of 15 fields of real-estate technologies are covered, including our own services

## ⑤ Others / Real-Estate DX

- Record-high net sales was achieved  
Net sales: **255 mil. yen** (121.3% Up YoY)
- Joined the Group in April 2023 by M&A  
DRAFT Inc. (subsidiary) contributed by its ZEH/Utilities Business

# Statements of Income

Delivery of a newly-built condominium sold by Sales/Purchase DX segment was delayed to 2Q, but sales stayed at almost same level as FY2023.

Leasing DX Property Management Business segment achieved the highest profit ever in 1Q, but SG&A expenses increased due to investment in HR and DX measures.

Item	1Q of FY06/2023	1Q of FY06/2024	+/- %	+/- amount	(mil. yen)
Net sales	7,152	7,100	-0.7%	-51	
Gross profit	1,305	1,104	-15.4%	-201	
SG&A expenses	1,146	1,290	+ 12.6%	+ 144	
EBITDA	226	-95	-142.3%	-321	
Operating profit	159	-185	-216.1%	-345	
Ordinary profit	135	-234	-273.5%	-369	
Net profit before taxes	135	-234	-273.5%	-369	
Net profit	51	-181	-454.9%	-233	

- Delivery of 36 houses of a newly built condominium for investment was delayed to 2Q

- Investment in HR and DX measures

- DX Property Management Business segment achieved the highest profit ever in 1Q.

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

# Balance Sheet

**Procurement of real estates for sale is going good and inventory turnover rate is still staying at a high level.**

Item	FY06/2023	1Q of FY06/2024	+/- amount
Current assets	14,902	15,021	+119
Real estate for sale	2,817	3,785	+967
Non-current assets	5,612	6,393	+780
Total assets	20,516	21,416	+900
Current liabilities	8,521	9,233	+711
Non-current liabilities	7,393	7,910	+516
Net assets	4,600	4,273	-327
Total liabilities and net assets	20,516	21,416	+900

(mil. yen)

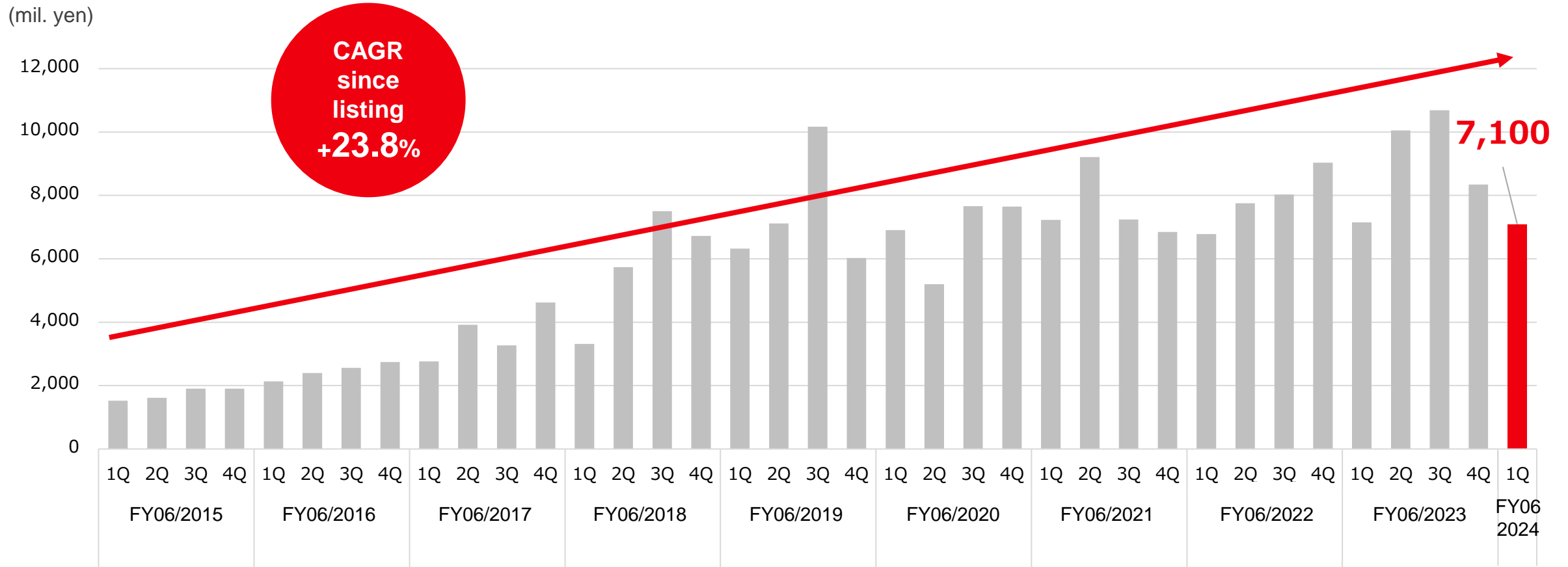
- Increase by 967 mil. yen for procurement of real estate for sale

- Increase by 203 mil. yen for procurement of real estate for sale in process

- Factors of decrease in Net assets are Net loss of 181 mil. yen and Dividends paid of 151 mil. yen

# Company-wide trend in net sales


Historical net sales have grown stably, responding steadily to factors of changes





# Real-estate DX products developed by AMBITION

## DX products which reform real-estate business are developed/promoted

Leasing DX	Property Management			<ul style="list-style-type: none"> <li>Contract progress management system: Manages overall process from inquiry through to contract</li> <li>Repair management system: Manages overall repair management such as estimation of repair work and recording actual progress</li> <li>Offering management system: Manages registration/publishing properties information in tandem with New contract management / Vacating management systems</li> <li>Credit management system: Manages overall debt such as management of debt/debtor information and payment history</li> <li>Vacating management system: Manages various processes such as vacating procedure and restoration to original state</li> <li>New contract management system: Manages process for commissioned operations such as acceptance/registration/progress management of commissioned matters</li> </ul>
				<ul style="list-style-type: none"> <li>System which enables explanation of important matters and execution of contracts online</li> </ul>
	Leasing Brokerage	B2B		<ul style="list-style-type: none"> <li>App for residents which realizes improved living experiences through services provided by the consortium</li> </ul>
		B2C		<ul style="list-style-type: none"> <li>Collective proposal of properties: Auto-posting tool for properties information which utilizes response prediction by AI and leasing business data</li> <li>Individual proposal of properties: A tool limited to highly-demanded functions (RPA: auto-post)</li> </ul>
				<ul style="list-style-type: none"> <li>Matching application which connects users searching for new rooms with a room concierge (sales person for real estate brokerage)</li> </ul>
Sales/Purchase DX	Investment		Systems for operational efficiency	<ul style="list-style-type: none"> <li>Services/systems for Sales/Purchase DX domain are also planned and under development</li> </ul>

# Performance overview by segment 1Q of FY06/2024

# Business segments

## Synergies of five business segments create a value chain of customers' experiences

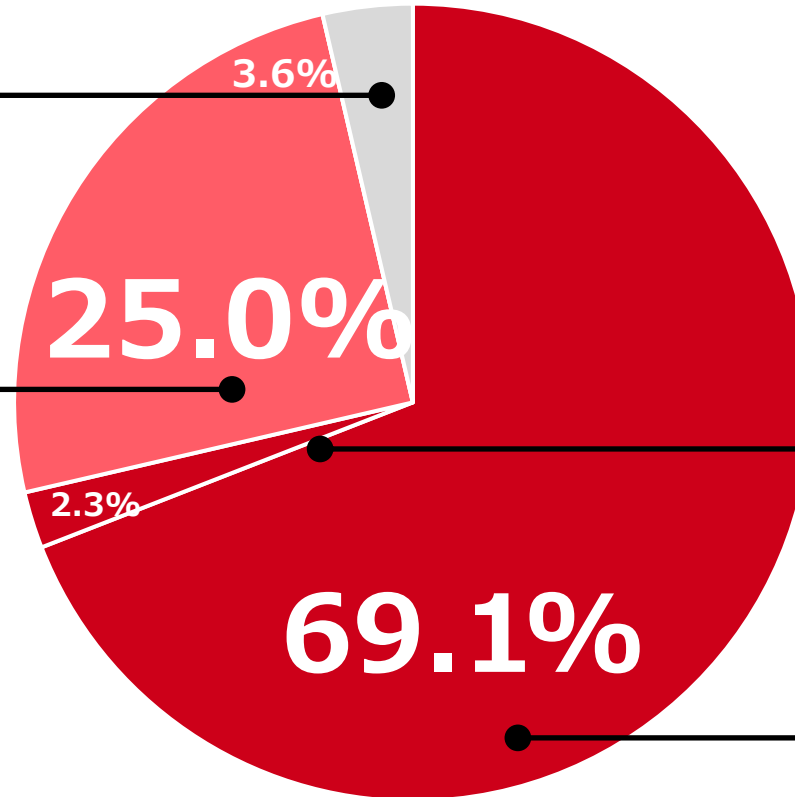
Leasing DX	Property Management	<ul style="list-style-type: none"><li>• Builds up stable business foundation with subleasing business and leasing management business for residential properties</li><li>• Next-generation management system “AMBITION Cloud” drives higher operational efficiency and productivity</li></ul>
	Leasing Brokerage	<ul style="list-style-type: none"><li>• Brokerage business for leased properties, mainly those managed by the Company; Number of brokerages for properties under our management increased by 48 (QoQ)</li><li>• High leasing ability of this segment contributes to the high occupancy rates maintained by the Property Management Business</li></ul>
Sales/ Purchase DX	Investment	<ul style="list-style-type: none"><li>• VERITAS INVESTMENT (subsidiary): Develops its business around selling self-developed studio apartments for investment in new building</li><li>• Investment Division of the Company: By means of its ability to purchase properties from diverse routes, sells renovated condominium apartments with emphasis on location</li></ul>
Incubation		<ul style="list-style-type: none"><li>• AMBITION VENTURES (subsidiary): Invests in venture companies which carry out businesses highly compatible with those of the Group</li><li>• Provides support to invested companies through capital tie-up, leading to earnings via IPO or other means</li></ul>
Other/ Real-Estate DX		<ul style="list-style-type: none"><li>• Online healthcare services via “AMBITION Me” and utilities services in collaboration with DRAFT started, both of which accelerate maximization of LTV (Life Time Value)</li><li>• Real Estate DX Business, Overseas Systems Business, Small Amount Short-term Insurance Business (HOPE), and ZEH/Utilities Business (DRAFT)</li></ul>

# Sales share by segment

Leasing DX that is our strong stock business accounts for 70%, but from 2Q, Sales/Purchase DX will grow further and provide a well-balanced portfolio

Other

Sales/Purchase DX  
Investment



**Leasing DX**

Property Management Business +  
Leasing Brokerage Business

**Leasing  
Brokerage**

**Property  
Management**

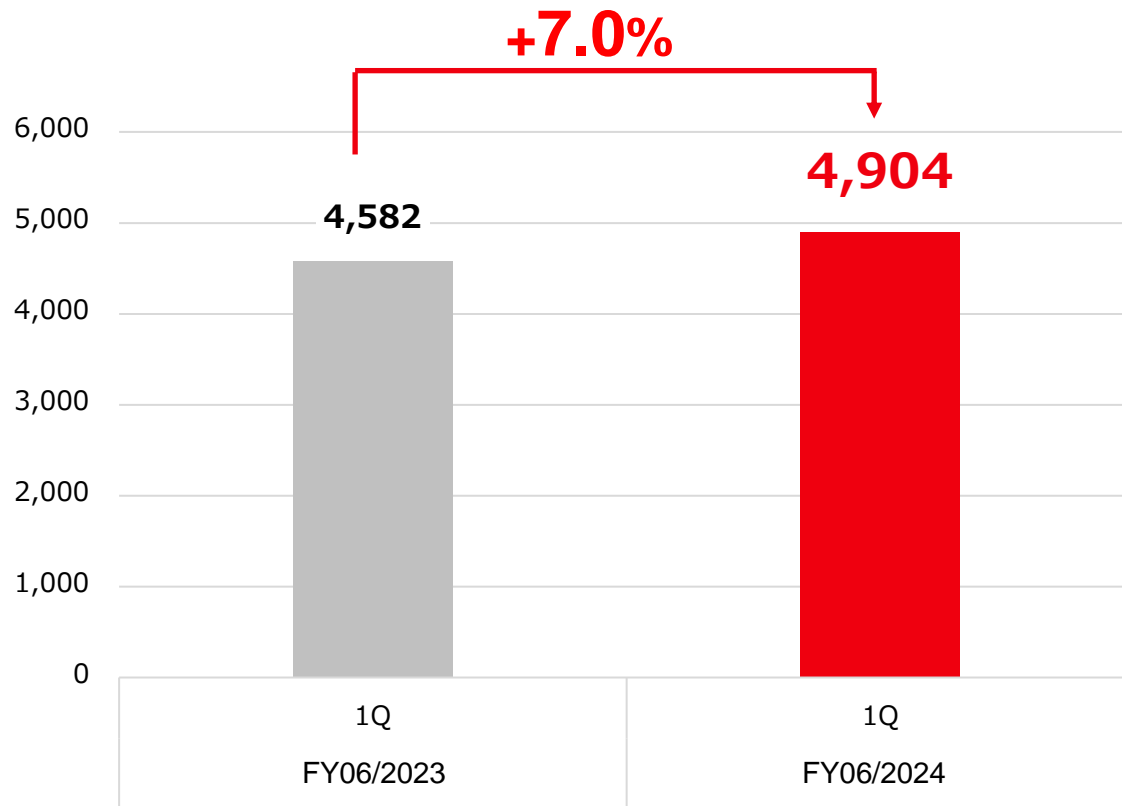
# Leasing DX

## Property Management Business

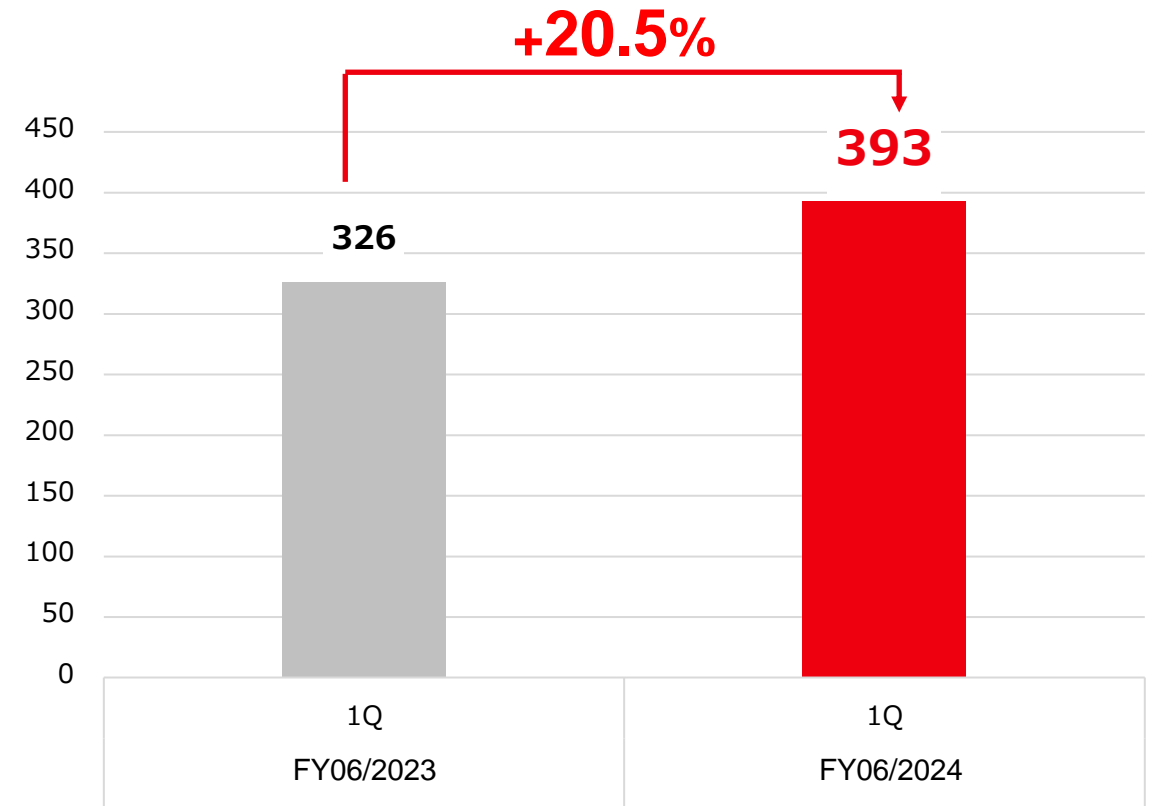
# Performance of Leasing DX Property Management Business

Higher operational efficiency by DX promotion led to increase in both Net sales and Operating profit

Net sales (YoY / mil. yen)

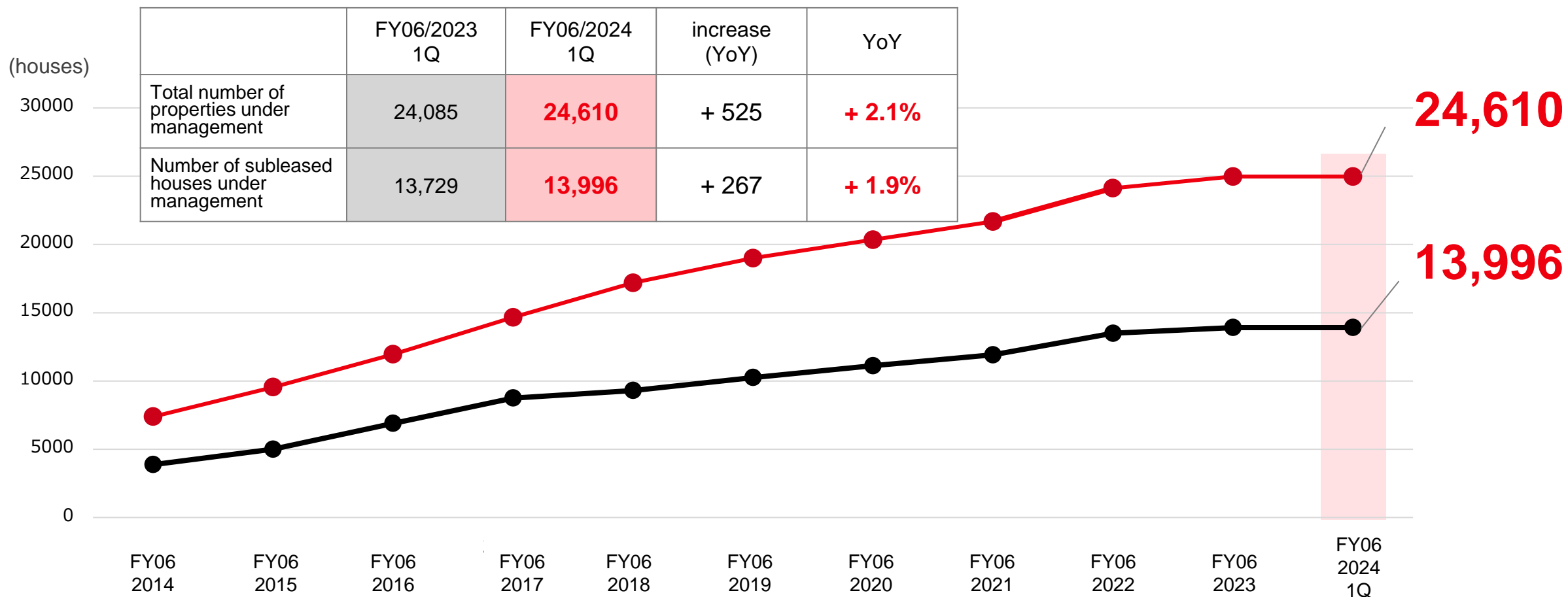


Operating profit (YoY / mil. yen)



# Leasing DX: Trend in number of houses under management

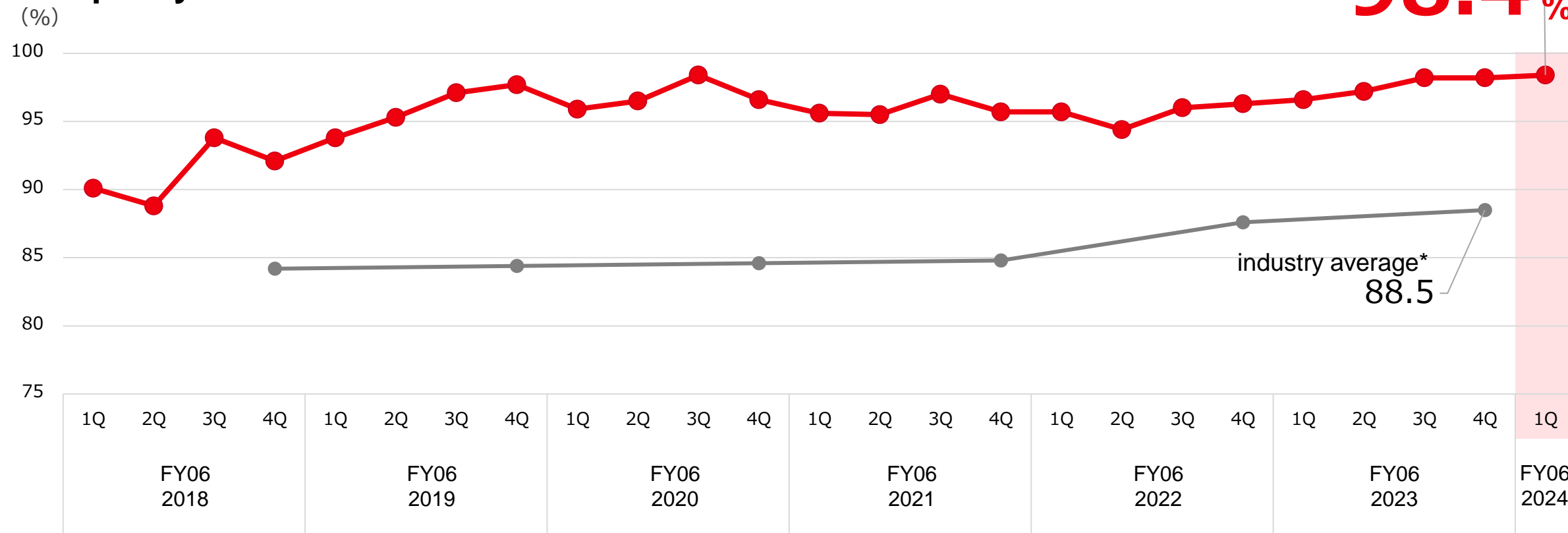
## Increasing continuously and smoothly



# Leasing DX: Quarterly trend in occupancy rate

Despite off season, our leasing ability and DX measures such as shortening periods between vacating and offering successfully resulted in the highest occupancy rate ever in 1Q since foundation

Highest ever in 1Q since foundation  
**98.4%**



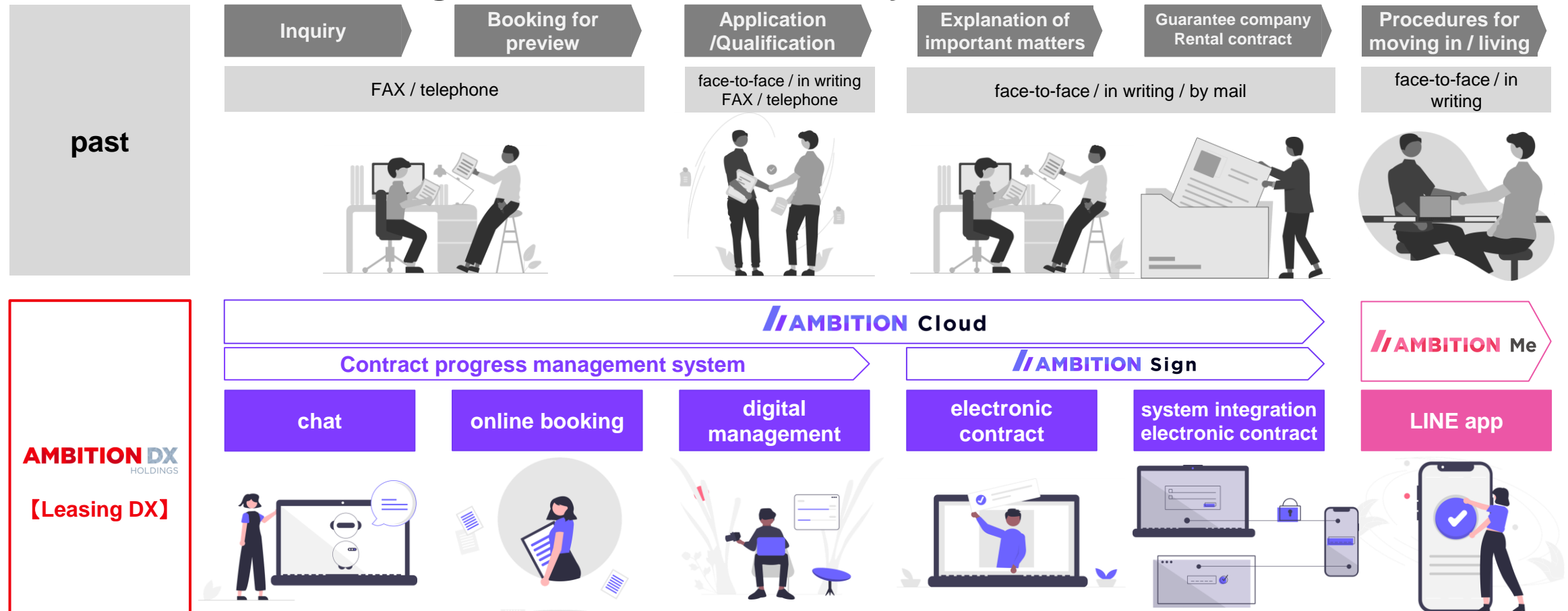
【Feature of the properties under our management】 High-quality studio apartments such as designer's brand Areas: Concentrated in Tokyo (mainly 23 wards) & Kanagawa/Chiba/Saitama Prefectures  
Target: Mainly single-person households

\* Source: TAS Corp., "Rental Housing Market Report"



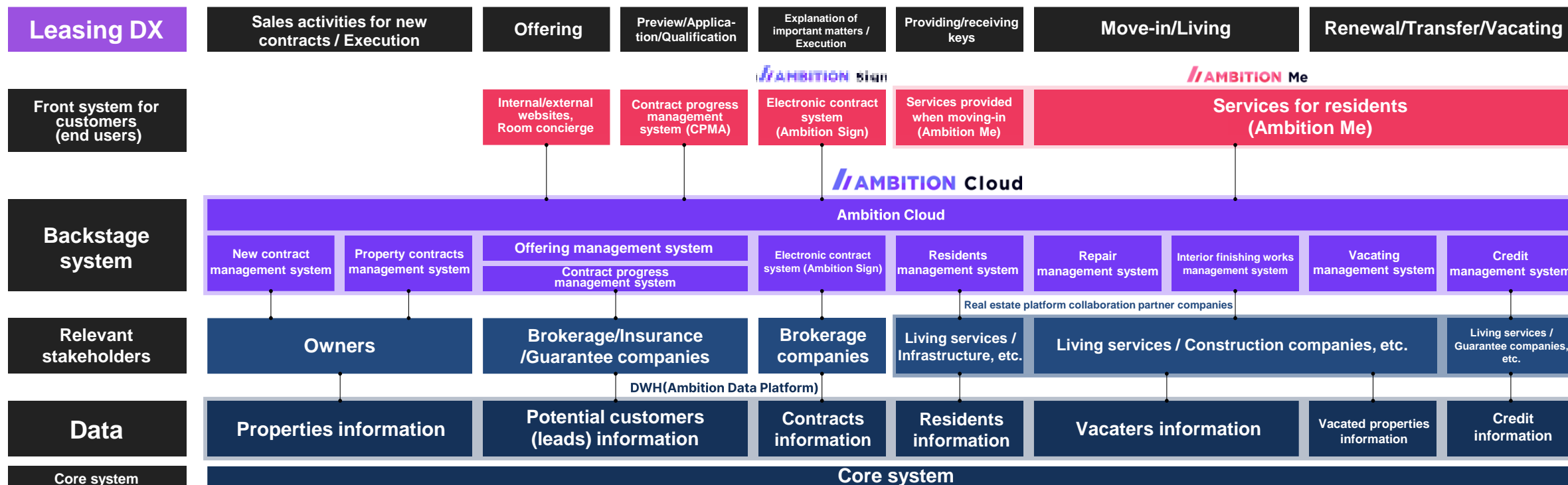
# Experience reform by Leasing DX for customers/employees

Every process from inquiry through to move-in is digitalized, realizing overwhelming customers' experiences. It provides higher operational efficiency on a paperless basis, also contributing to a sustainable society.



# Global image of the Leasing DX system

From B2B to B2C, from real-estate management to brokerage, and eventually up to permanent relationship with residents after contracting, a whole series of customers' experiences is entirely covered



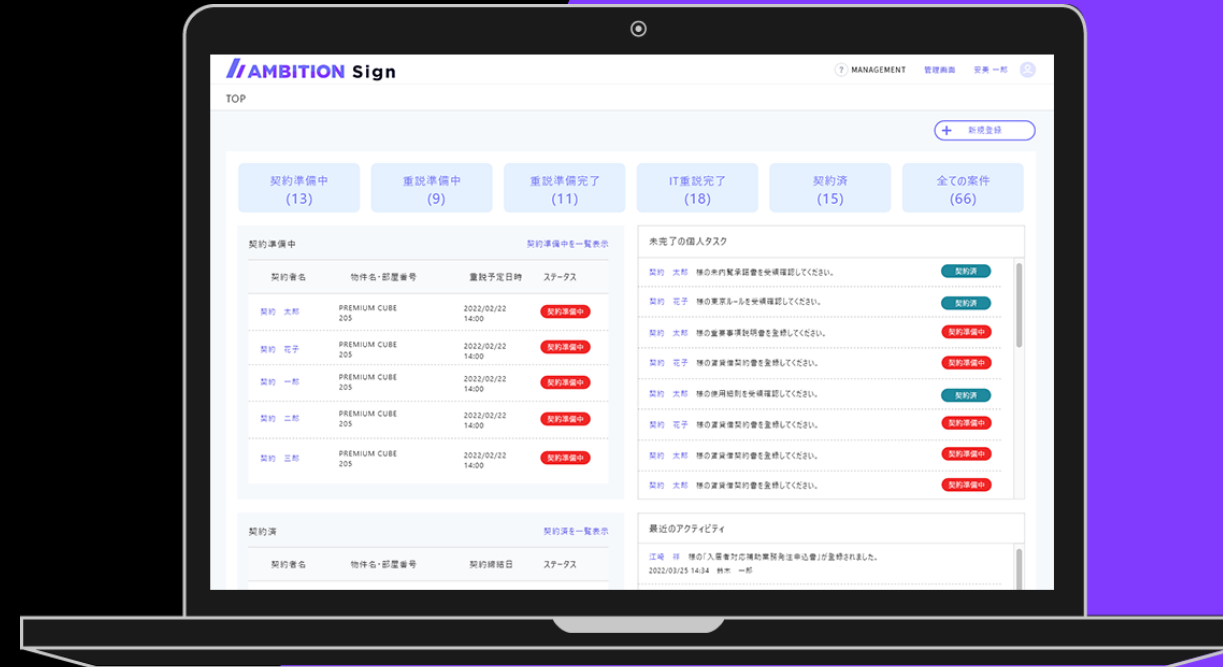
# Leasing DX product: AMBITION Cloud

## AMBITION Flagship DX Model

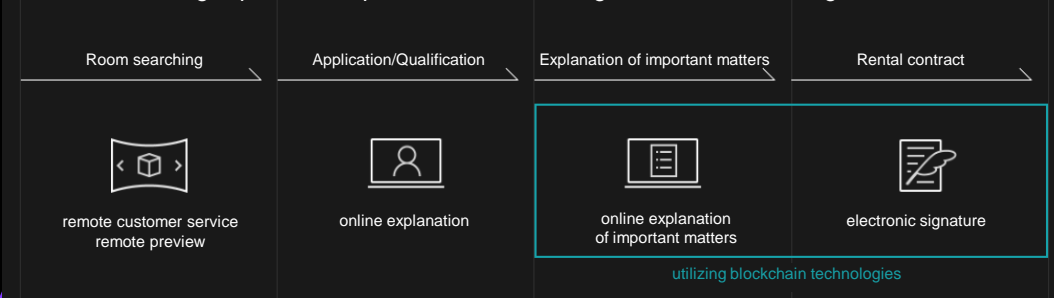


It carries out DX covering the entire leasing management operations, and realizes higher operational efficiency and productivity

- AMBITION Cloud is a service which digitally transforms (DX) every operation related to real-estate leasing management
- Developed fully from scratch by us, it handles API integration with various systems and in addition, also integrates with our core system by utilizing RPA.
- With this unique system, the Company will evolve to a platform that collaborates also with brokerage companies, guarantee companies and real-estate owners.



A series of contracting processes including explanation of important matters and signing is completely digitalized. Novel contracting experience is provided, even utilizing blockchain technologies.



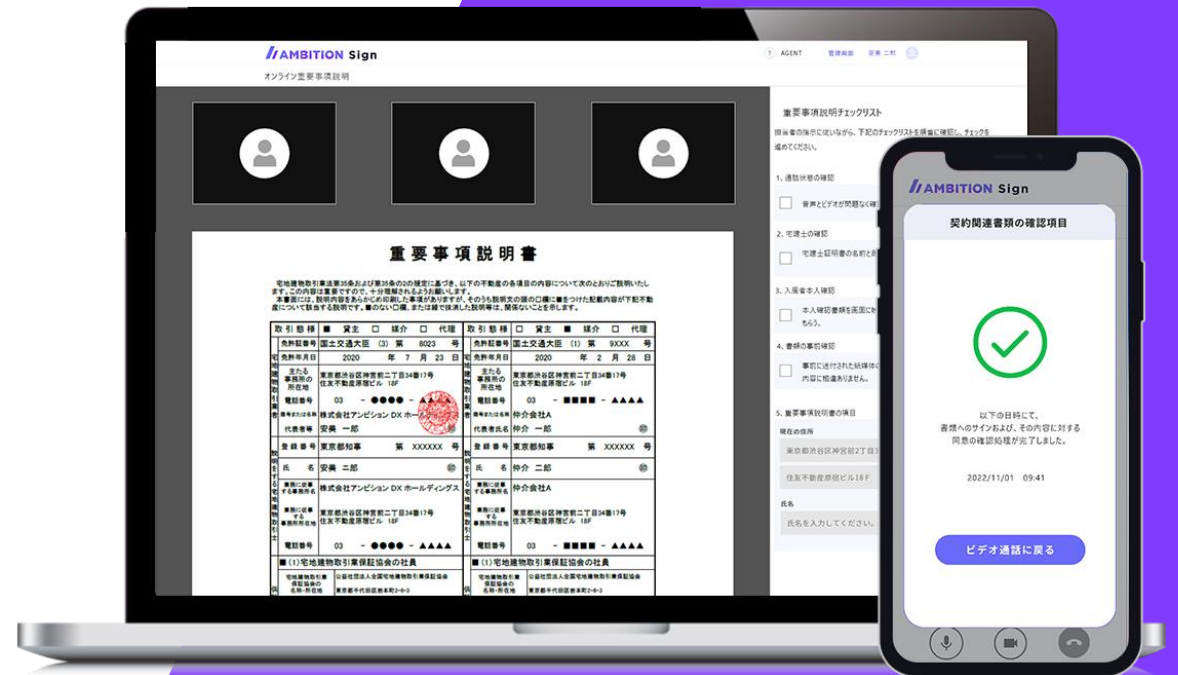
# Leasing DX product: AMBITION Sign

Electronic contracting system that utilizes blockchain technologies



**DX of contracting experience that realizes IT-enabled explanation of important matters and electronic signature through one-stop service**

- AMBITION Sign is one of the services which play central roles for AMBITION Cloud, and is a system that realized explanation of important matters and signing contracts done online, which were not feasible before, along with the relevant law amendment in 2021.
- Highly usable functions were realized, as an online video conference system specialized on explanation of important matters.
- Utilizing even blockchain technologies and ensuring high-level of security, customers' seamless experiences will be realized in the future, such as services for residents.



# Leasing DX product: AMBITION Me

It supports permanent relationship with residents

## AMBITION Me

LINE service that supports residents from key acceptance to daily life services

- Wide variety of services such as contract renewal, vacating, communication while living, utilities (electricity/gas/water), and insurance, are integrated into this all-in-one application. It is also a service that realizes improvement in residents' satisfaction and engagement, to lead to maximization of their LTV (Lifetime Value).
- For the future, we will collaborate with partner companies ranging from various life services, infrastructure through to finance, and deploy services which would upgrade engagement of residents having established their own economic circles.
- Online healthcare services started in July 2023.
- In October 2023, useful services in collaboration with DRAFT started.



# New services available on AMBITION Me

## To improve quality of life of for residents, healthcare services and services for reexamination/procedures related to utilities started

### AMBITION Me

#### May 2023~: Online healthcare services



#### Reservation for medical examination can be made seamlessly via LINE app

- Seamless linkage with clinics providing common medical services to self-pay patients has been established, such that it is possible to reserve medical checkups within “AMBITION Me” app easily, and then it is also possible to receive online healthcare services easily by making use of LINE app.
- Thereafter, the doctor who has professional knowledge hears about the resident’s conditions in detail, and offer necessary advices and treatments. Moreover, fast and convenient medical services are realized, which support residents’ health.

#### Oct. 2023~: Useful services for living

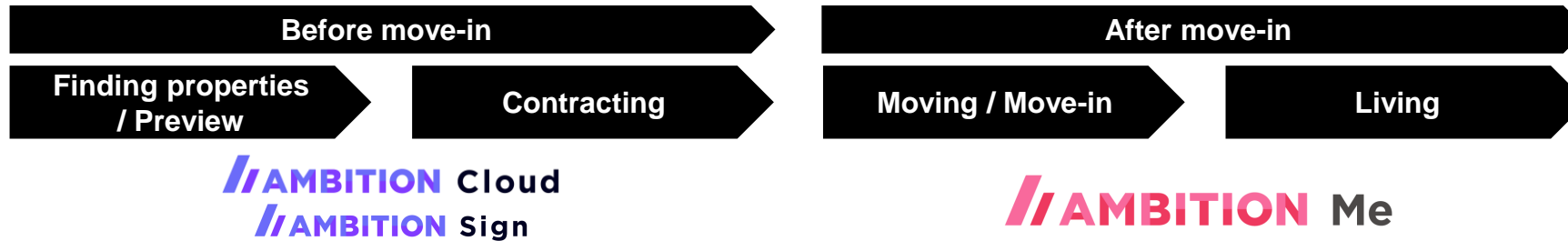


#### You can reexamine and take procedures for utilities at lower cost

- For many electricity services made available with electricity deregulation, DRAFT’s knowledge is utilized to provide utilities services deemed best for our customers.
- For the future, wide variety of products/services for which there would be chances to use as utilities ranging from gas, Internet, to water-servers, are now on the on the anvil.
- For these services of electricity, gas, water and Internet which are essential from the perspective of reducing fixed expenses, best contents are offered depending on each customer’s lifestyle.

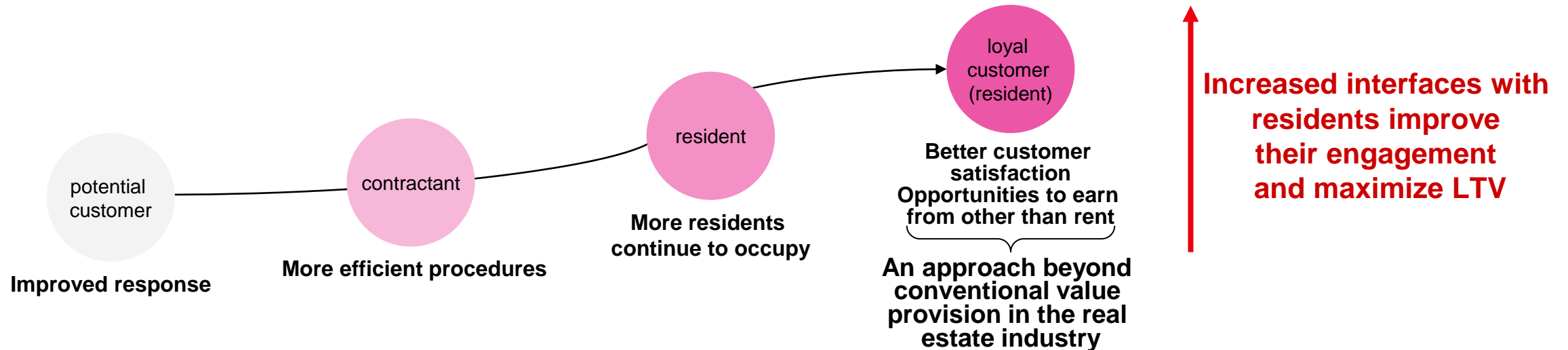
# Future outlook Leasing DX products

From building up interfaces with customers before move-in to living support thereafter, we aim at improvement in residents' satisfaction and engagement with us, as well as maximizing their LTV (Lifetime Value)



From finding properties to contracting, whole process is concluded online, improving experience with room searching

Services provided by the consortium realize better living experiences



# Leasing DX

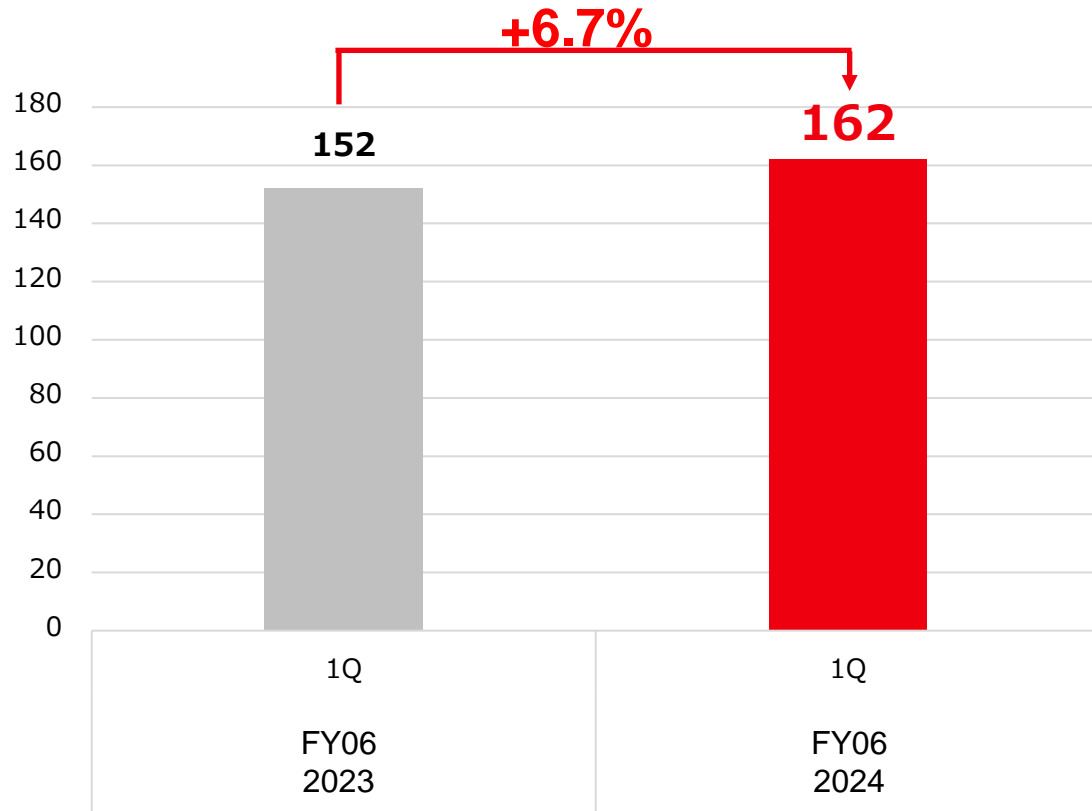
## Leasing Brokerage Business



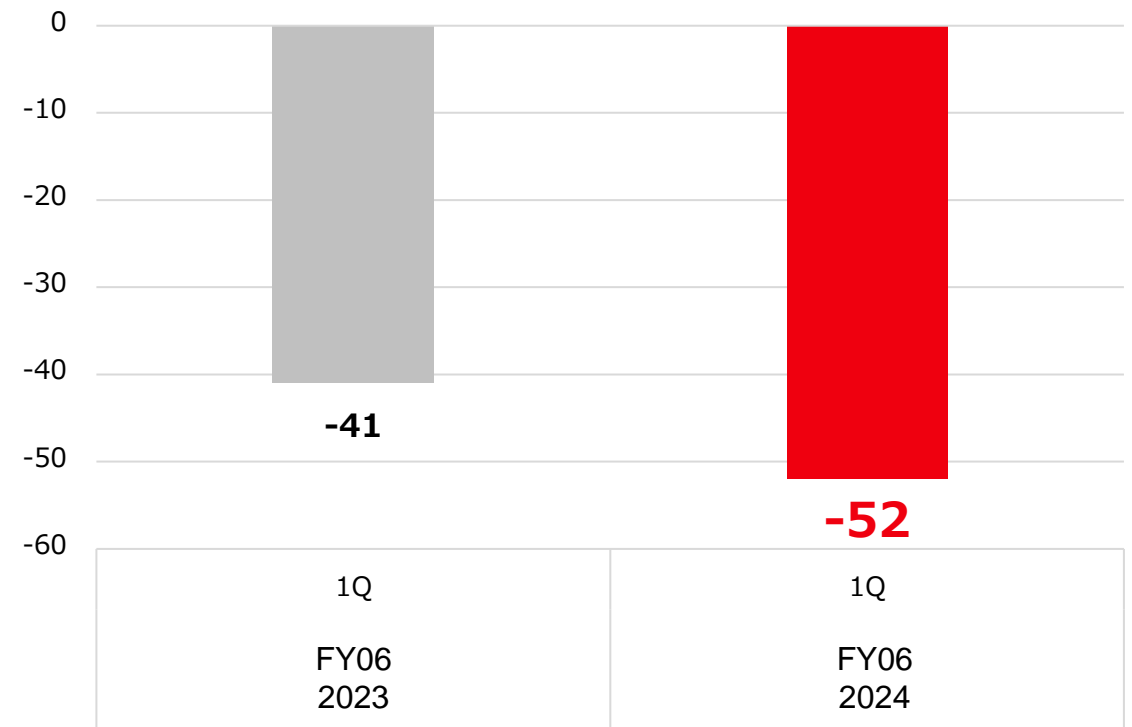
# Performance of Leasing DX Leasing Brokerage Business

Increased sales staff and utilization of RAC-TECH led to increase in Net sales by YoY

Net sales (YoY / mil. yen)



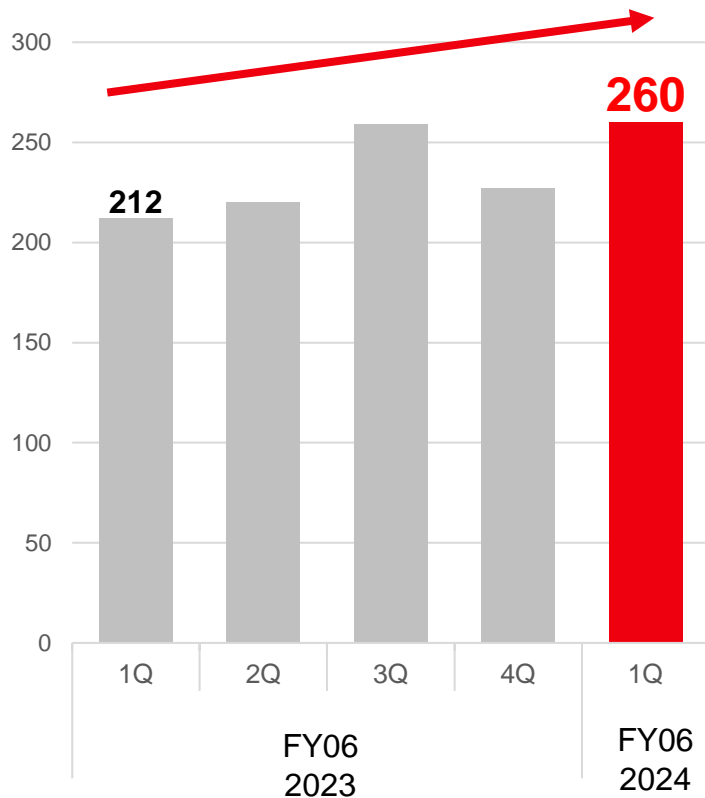
Operating profit (YoY / mil. yen)



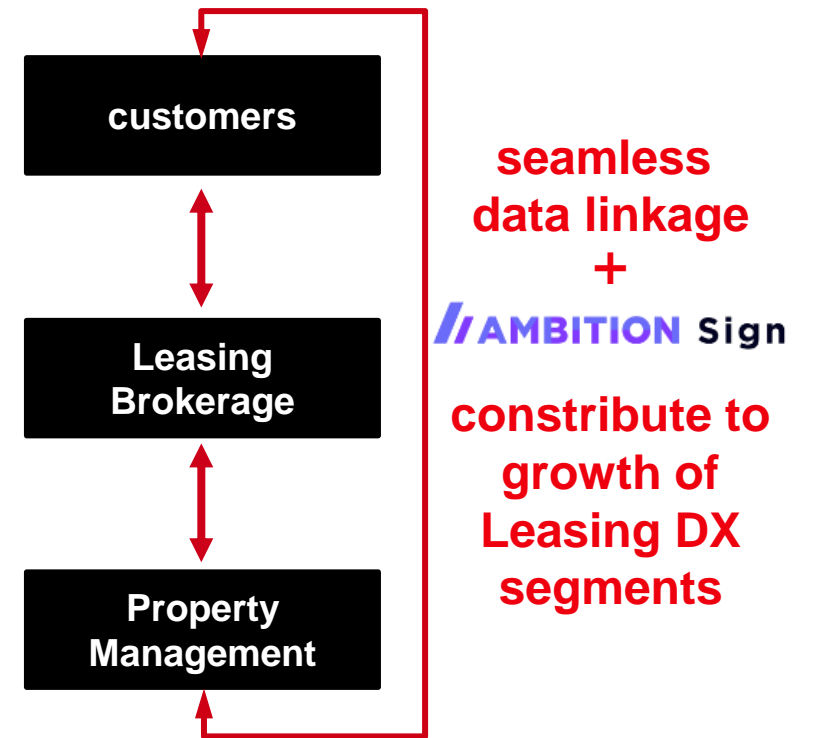
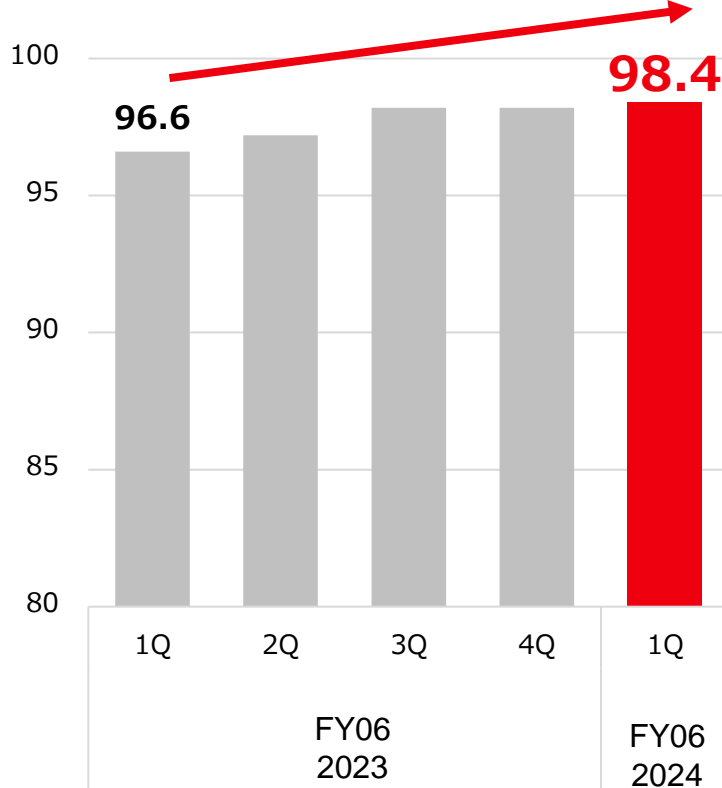
# Leasing Brokerage Business contributed to high occupancy rate of houses under our management

From Property Management to Leasing Brokerage, DX is promoted throughout Leasing DX segments

Number of brokerages for properties under our management



Occupancy rate under Property Management Business (%)



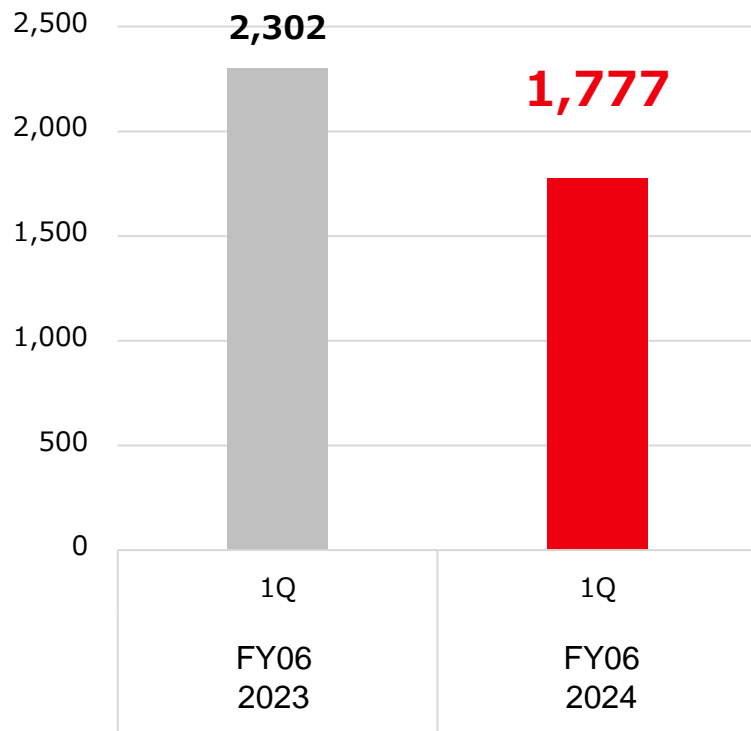
# Sales/Purchase DX

## Investment Business

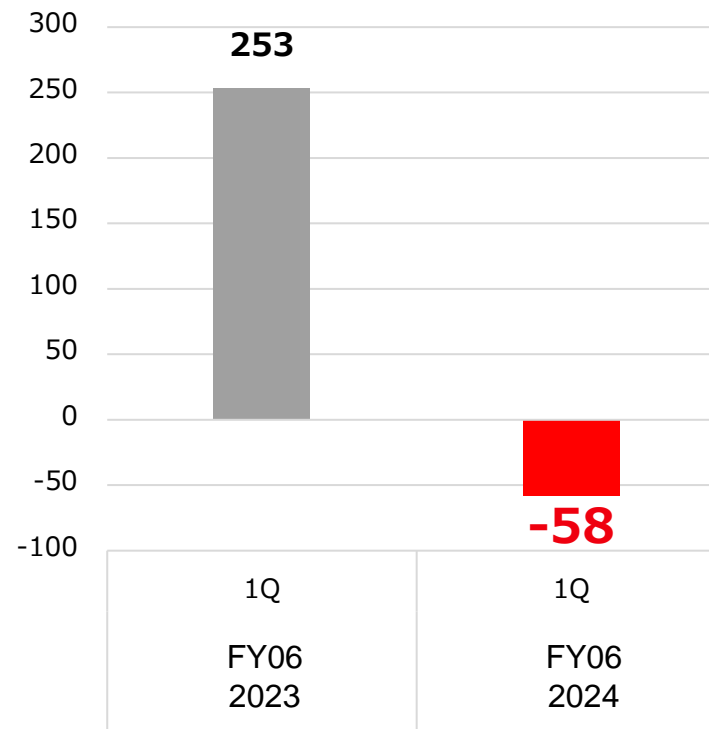
# Performance of Sales/Purchase DX Investment Business

Allocating sales of a newly built condominium for investment was delayed to 2Q but there is no change in the full-term plan

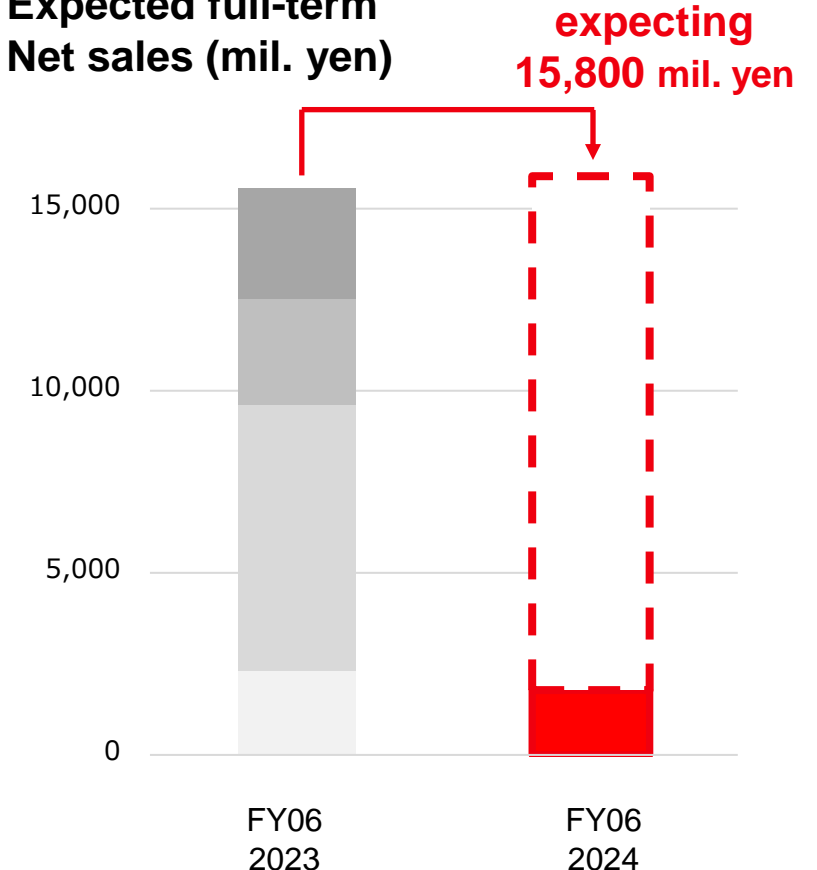
Net sales (YoY / mil. yen)



Operating profit (YoY / mil. yen)



Expected full-term Net sales (mil. yen)

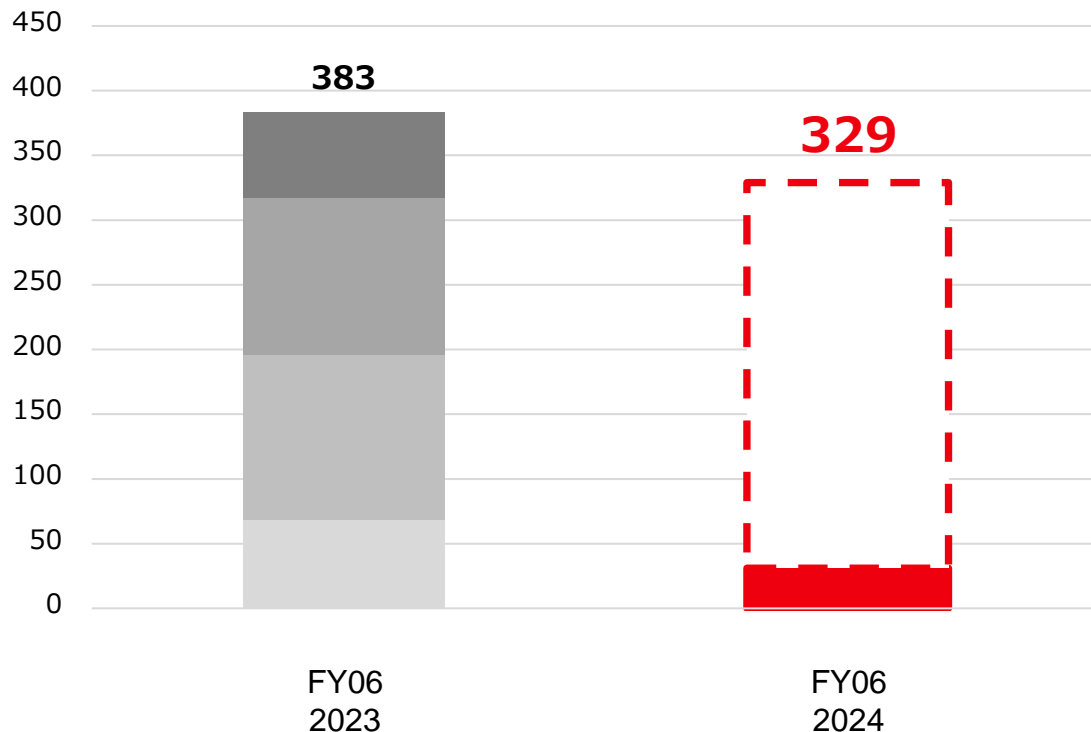


# Net sales and number of houses sold

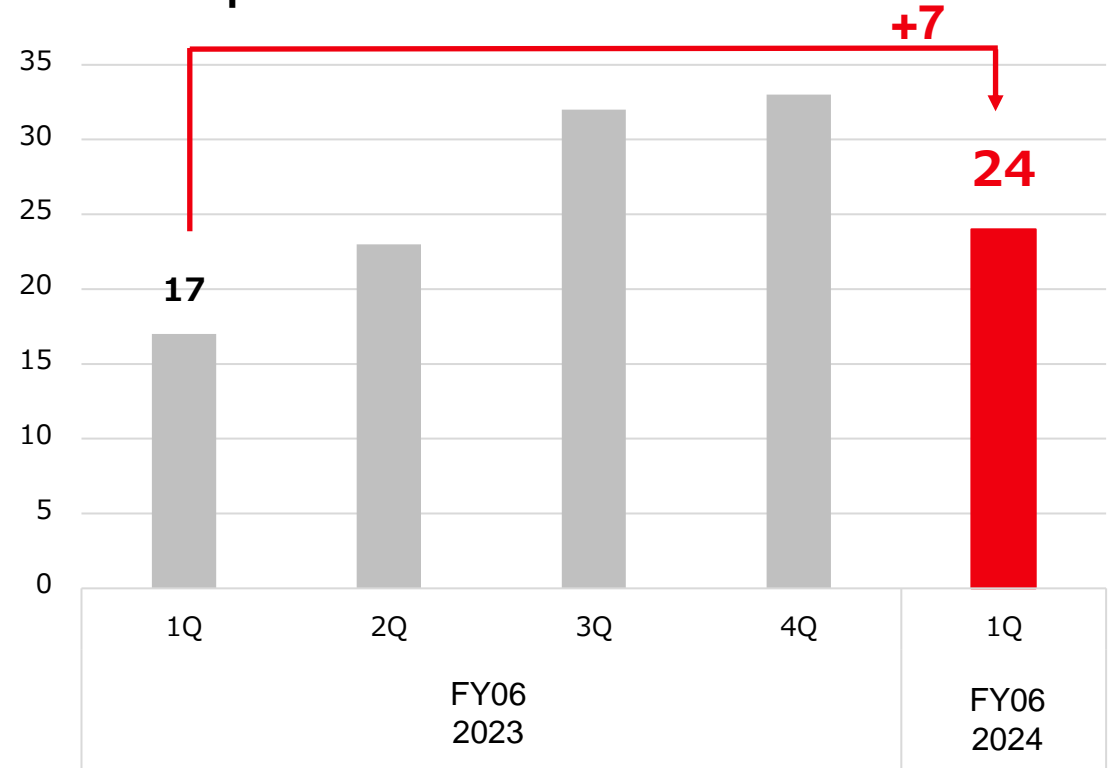
**24 houses were purchased and resold, increasing smoothly, and growing number of purchased & resold houses with higher resale prices help overall sales staying at almost same level as the previous FY**

**Highest ever in 1Q**

Annual total number of houses sold



Number of purchased & resold houses



# Incubation Business

# Performance of Incubation Business

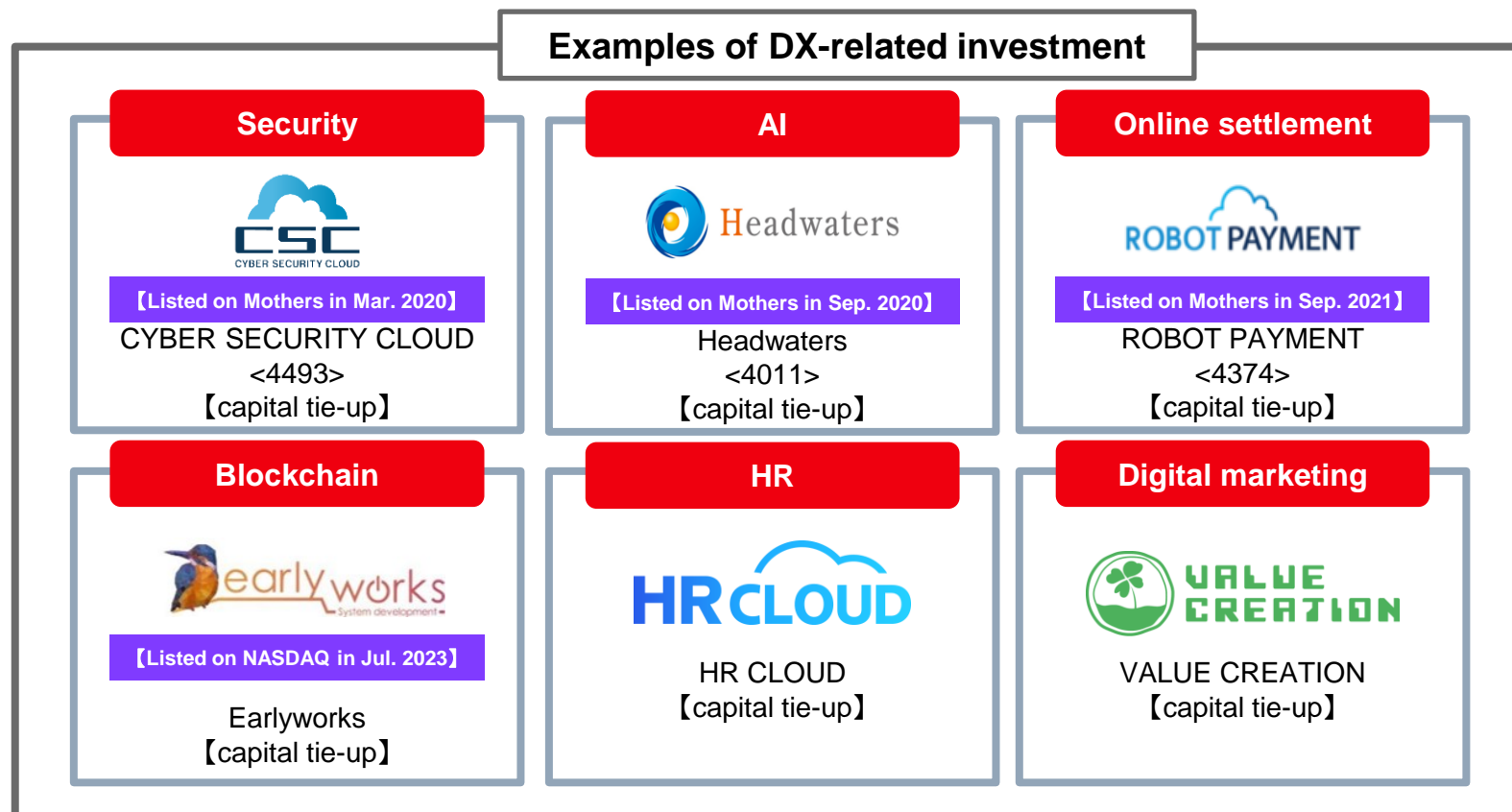
One investee got newly listed, and another company were newly invested.  
So far 30 venture companies have been invested, of which 6 have got listed  
(as of Sep. 30, 2023).

Net sales

N/A

Operating profit

-2 mil. yen



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

# Real Estate Tech's chaos map and fields covered by AMBITION DX

## All of 15 fields in the real-estate DX domain are covered by our own services and investment



8th edition: August 2022 (430 services)

Created by Real Estate Tech Association for Japan

Fields of real-estate DX	Covered by AMBITION DX
Loan/guarantee	◎
Operational support (attracting guests)	◎
Operational support (customer facing)	◎
Operational support (contract/settlement)	◎
Operational support (management/after-sales)	◎
Operational support (design/construction)	◎
Real estate information	◎
Property information/media	◎
Price visualization/evaluation	◎
Crowd-funding	◎
VR/AR	◎
Crowd-funding	◎
IoT	◎
Remodeling/renovation	◎
Space sharing	◎



# Business tie-up with DEA developing GameFi business

Demonstration experiment of “NFT gaming condominium” is going to start in Nov. 2023  
Through this tie-up, we aim at growth driven by synergies



## How it works

### New business through tie-up with DEA

We entered into business tie-up with Digital Entertainment Asset Pte. Ltd. (DEA), and are going to start a demonstration experiment of “NFT gaming condominium” in Nov. 2023, where residents have chances to make their rent practically free by playing NFT games.

### What is GameFi?

Unique functions of game projects and cryptassets are combined, thereby making it possible for users to get NFT and income through playing such games.

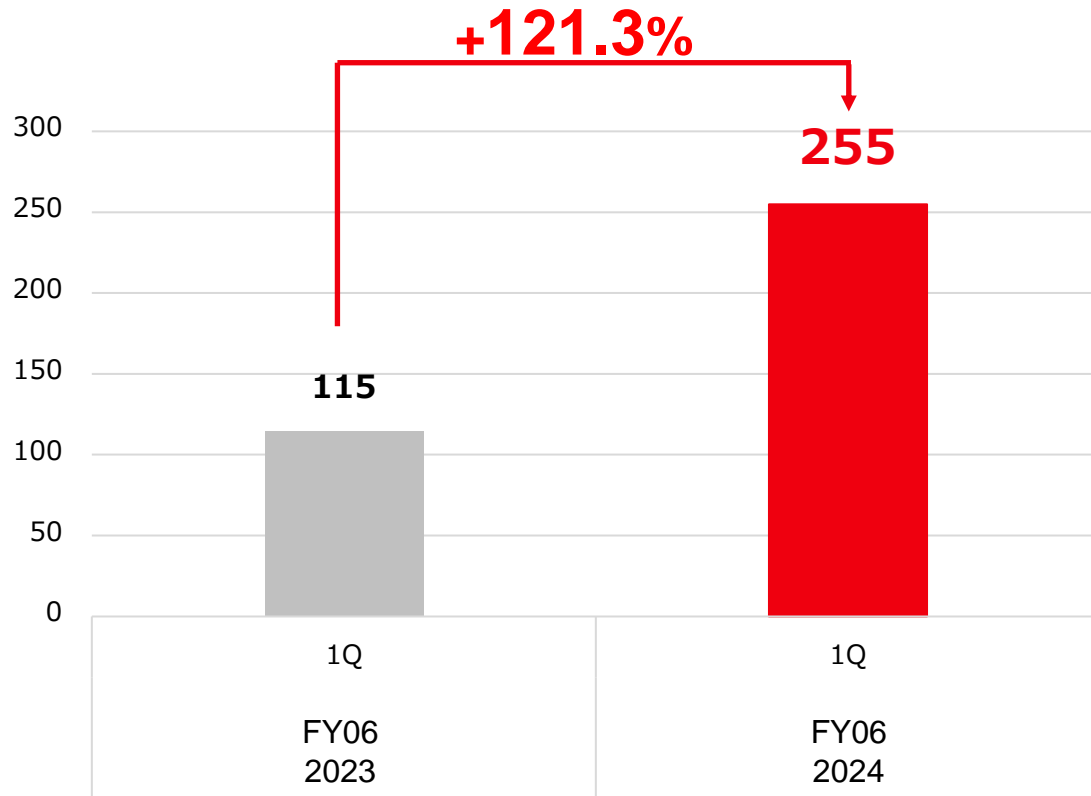


# Other Business

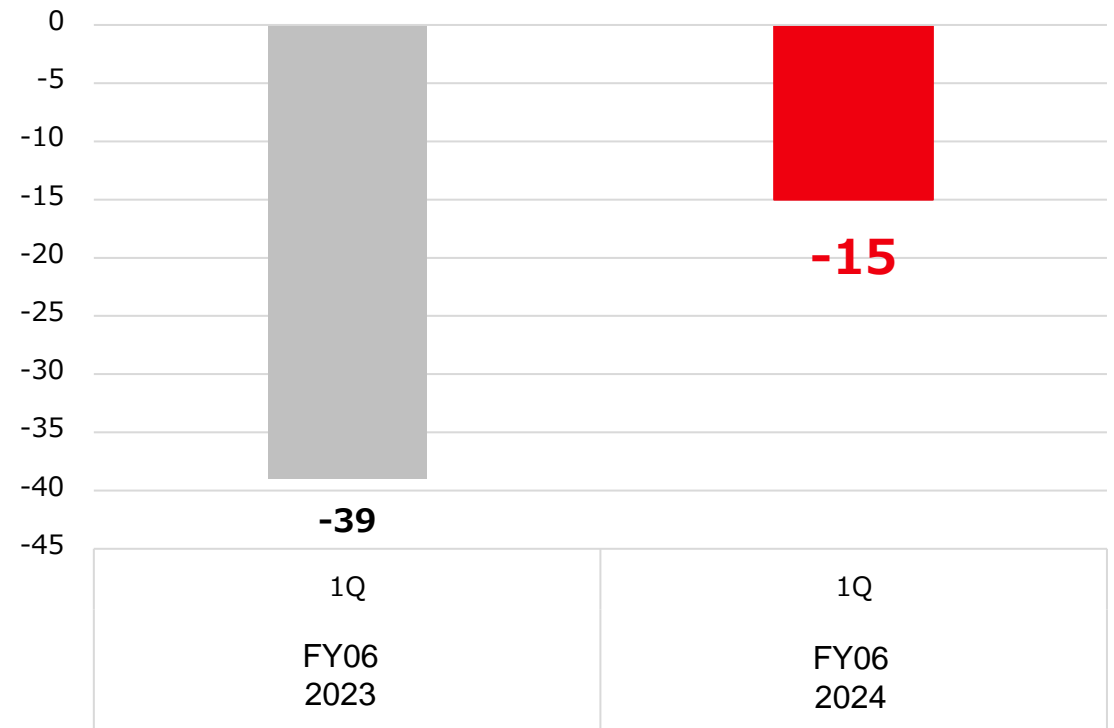
# Performance of Other Business

**HOPE (Small Amount Short-term Insurance Business) and DRAFT (ZEH/Utilities Business) greatly contributed to overall performance**

Net sales (YoY / mil. yen)



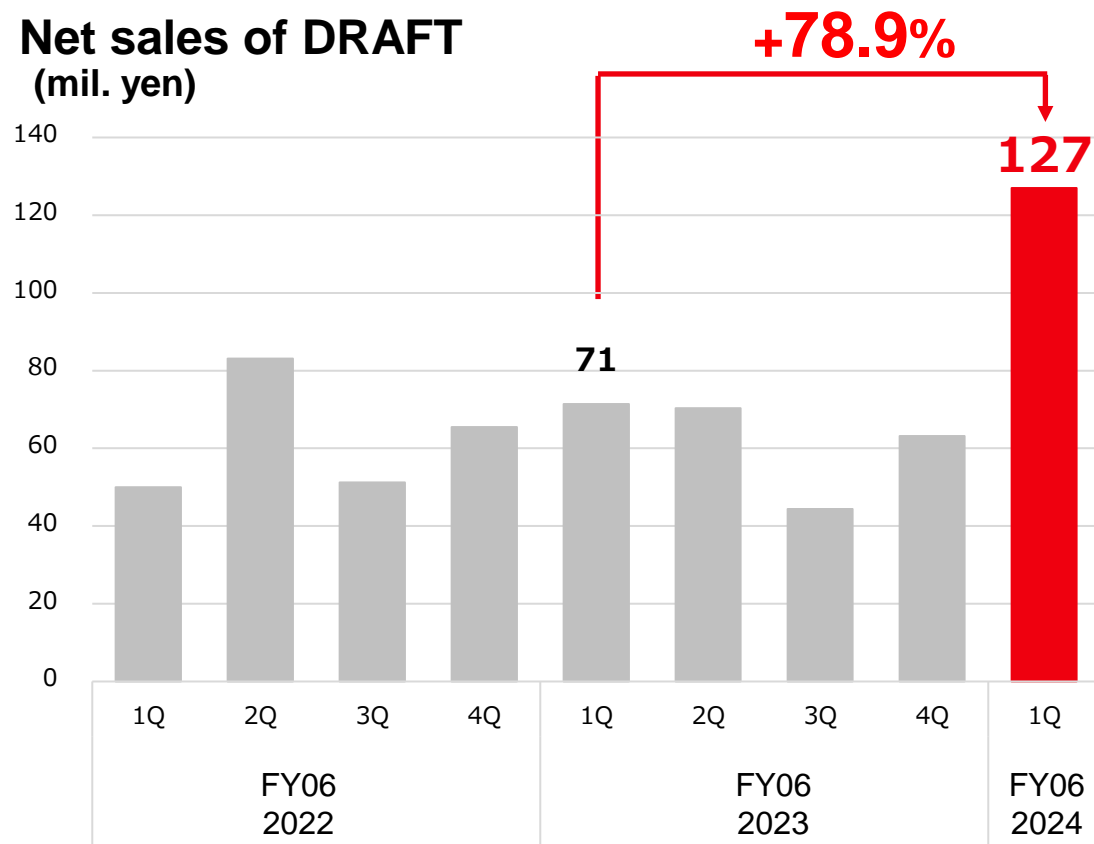
Operating profit (YoY / mil. yen)



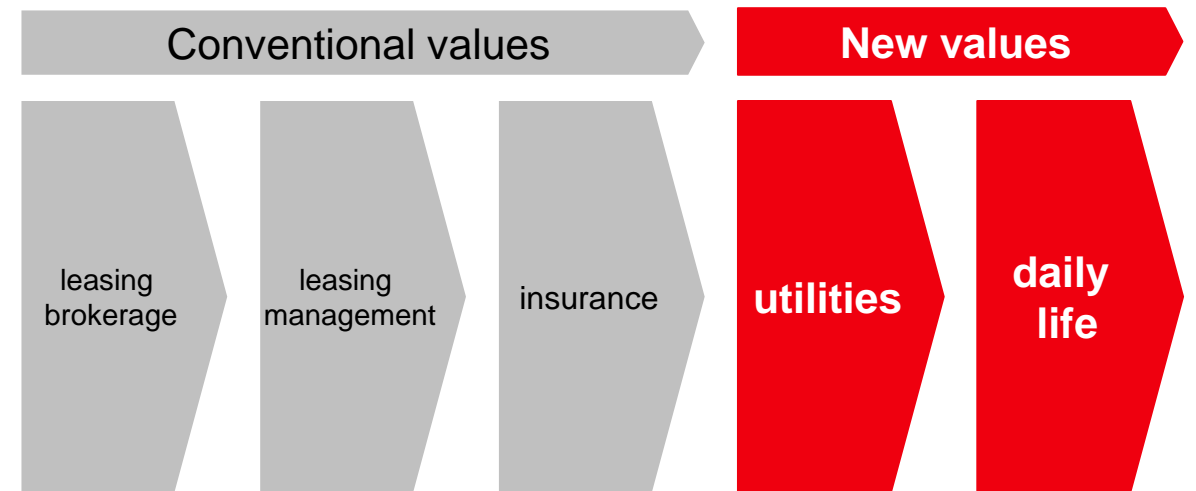
# A series of experiences for customers is supported, starting from Leasing DX

## Carrying out loyalty strategies leads to maximization of LTV

Net sales of DRAFT (mil. yen)



Customers' journey in leasing



- Utilities are provided to residents of our rental housing.
- A series of services is provided consistently from searching for a rental housing, through insurance to utilities, which increases interfaces with residents, leading to their improved engagement and maximized LTV. These new services are available on AMBITION Me since October 2023.

# Utilization of AI in our real-estate DX

## We started to utilize ChatGPT, so that efficient education and support for role playing would be realized



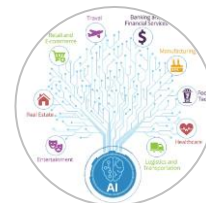
### AI technology

ChatGPT is a kind of AI technology based on natural language processing



### Feature and ability of ChatGPT

One of the features of ChatGPT is that, not following artificially created manuals and rules, it can understand new information and topic successively in order to update its database by self-learning.



### General usage examples

ChatGPT is used for a wide range of purposes such as customer support and negotiation work. By adopting ChatGPT, effects of higher operational efficiency and improved customer satisfaction can be anticipated.



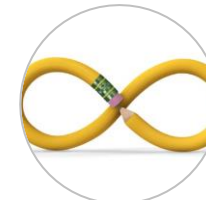
### Training new employees

Using ChatGPT, basic principles and policies of a company can be taught to new employees promptly. In addition, it can be used for training in expertise of real estate.



### Automatic creation of manuals

By utilizing ChatGPT, knowledge required for real estate business can be organized into manuals. It is useful not only for reducing steps of searching but also for solving problems with labor shortage and advancement of knowledge.



### Continuous learning and updating skills

By utilizing ChatGPT, it becomes possible to develop and automate learning plans required for upskilling. Self-updating information about the trade and products is also possible.



Large-scale language models combined with real-estate DX:  
Researches for development of services and products started in May 2023 in collaboration with  
“Givery, Inc. which promotes DX using large-scale language models”

# Strategies and future outlook of AMBITION DX HOLDINGS

A real company that, under its corporate philosophy, has achieved transformation by fusing digital and real world together, in line with changes in society and environment

## **AMBITION DX HOLDINGS has:**

its corporate philosophy that remains unchanged since foundation as

**With an “AMBITION” of creating future of “housing”,  
we aim at becoming a “real company”  
that can give “dreams” to everyone we meet**

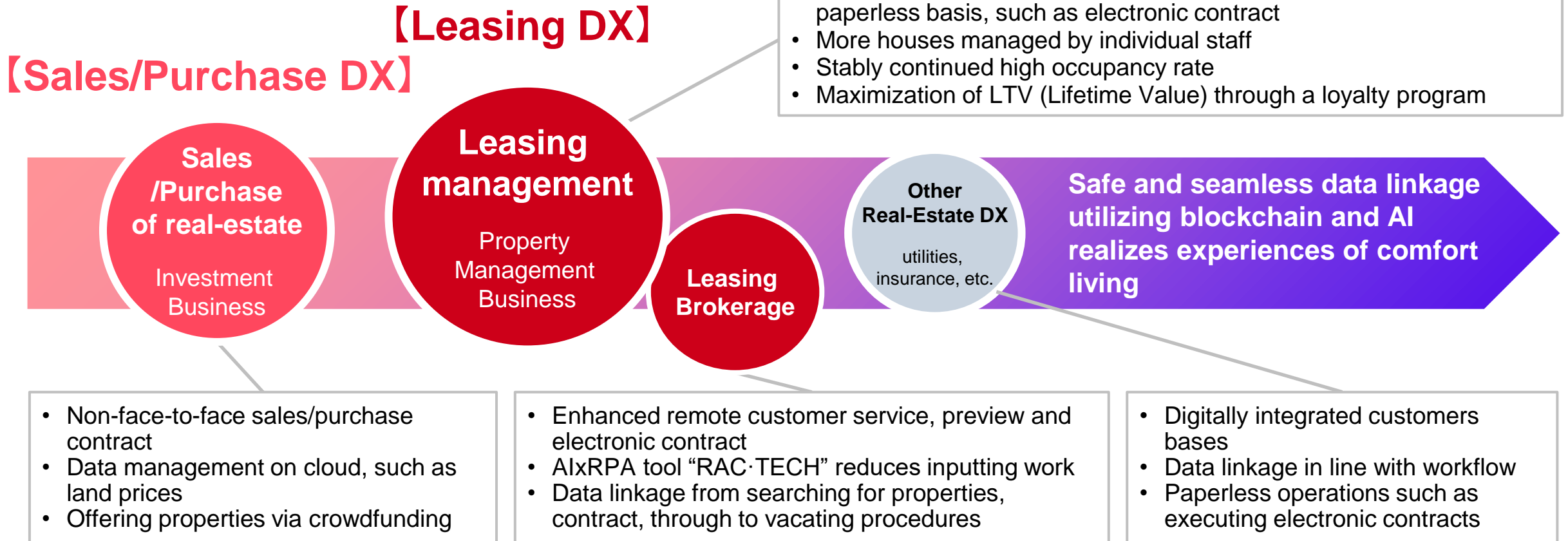


while embodying transformation by digital and real world, a new vision

**To reform real estate business through DX and  
become a sole real estate digital platformer  
which fuses digital and real world together**

# What we aspire is:

To build up a DX platform on which real estate business can be made more efficient in a straightforward fashion, and provide comfortable residence experience





# Real Estate DX: Our strength

**DX of every operation of real-estate business from leasing to sales/purchase is promoted in a straightforward fashion, and a unique business portfolio like no other in this industry is built up**

**Straight-forward DX promotion**

Segment	Business style		AMBITION DX HOLDINGS	Leasing management company	Real estate brokerage company	Real estate development (Developer)	Real estate sales company	Purchase /Resale company
Leasing DX	Ownership business	Leasing management	○	○				
	Brokerage business	Finding customers	○		○			
Sales /Purchase DX	Development business	Land acquisition	○			○		
	Purchase/Resale business	Construction	○			○		
	Ownership business	Sales	○			○	○	
	Brokerage business	Purchase/Sales	○					○

# Out real-estate DX strategies

We categorize DX as “offensive” and “defensive”, for every real-estate business

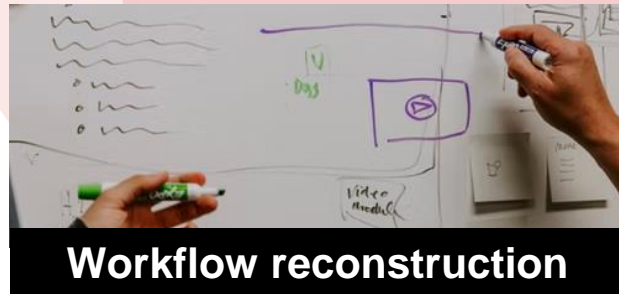
Higher competitiveness

**Offensive DX**



To transform  
business  
processes

To transform  
business  
models

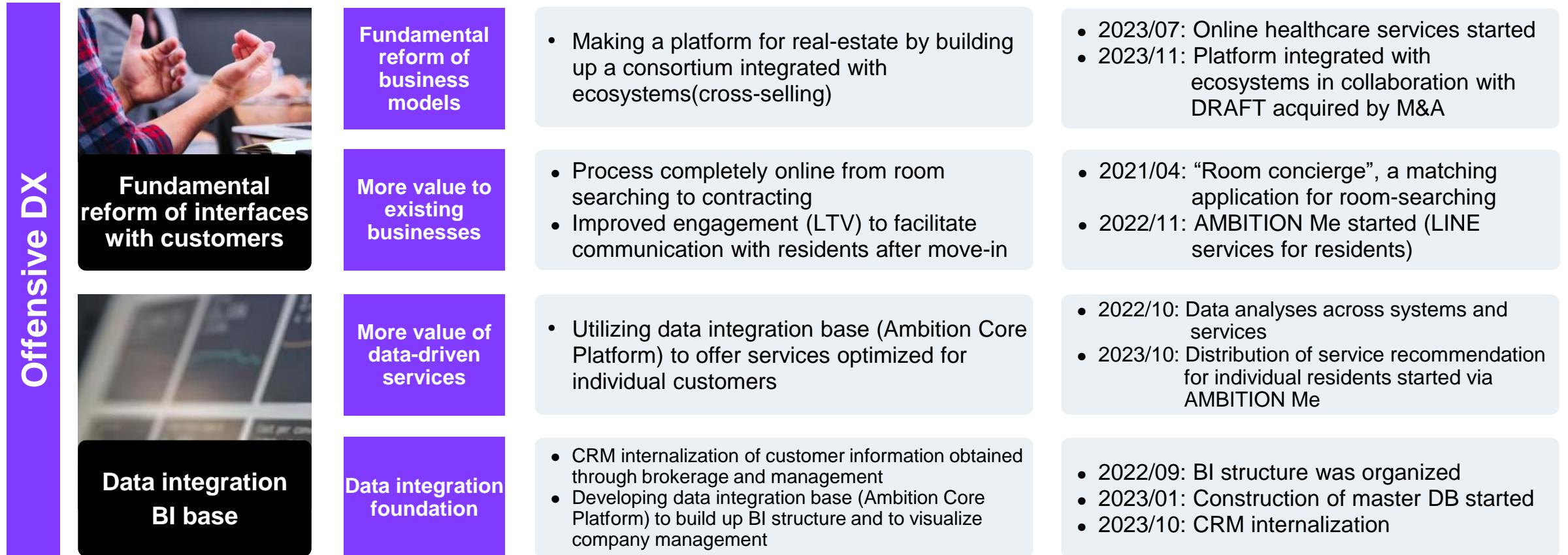


**Defensive DX**

Higher operational efficiency

# Out real-estate DX strategy: Offensive DX

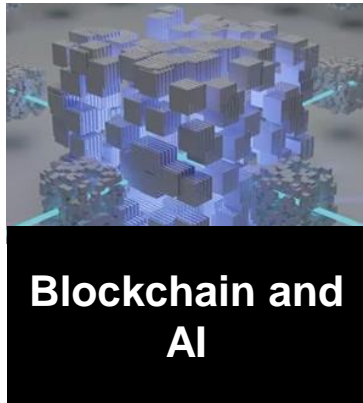
In offensive DX we try innovative approaches which even overcome traditional barriers in this industry



# Out real-estate DX strategy: Defensive DX

In defensive DX, we try different approaches which make conventional core businesses more robust with the help of technologies

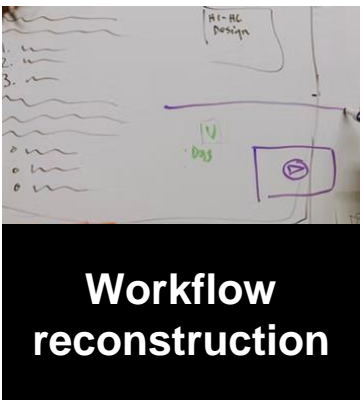
**Defensive DX**



**Blockchain and AI**

**Building up systems for IT explanation of important matters and electronic contracting**

**Utilizing blockchain technologies for ecosystems**



**Workflow reconstruction**

**Reforming/re-designing business processes**

**Higher operational efficiency**

## Strategy in detail

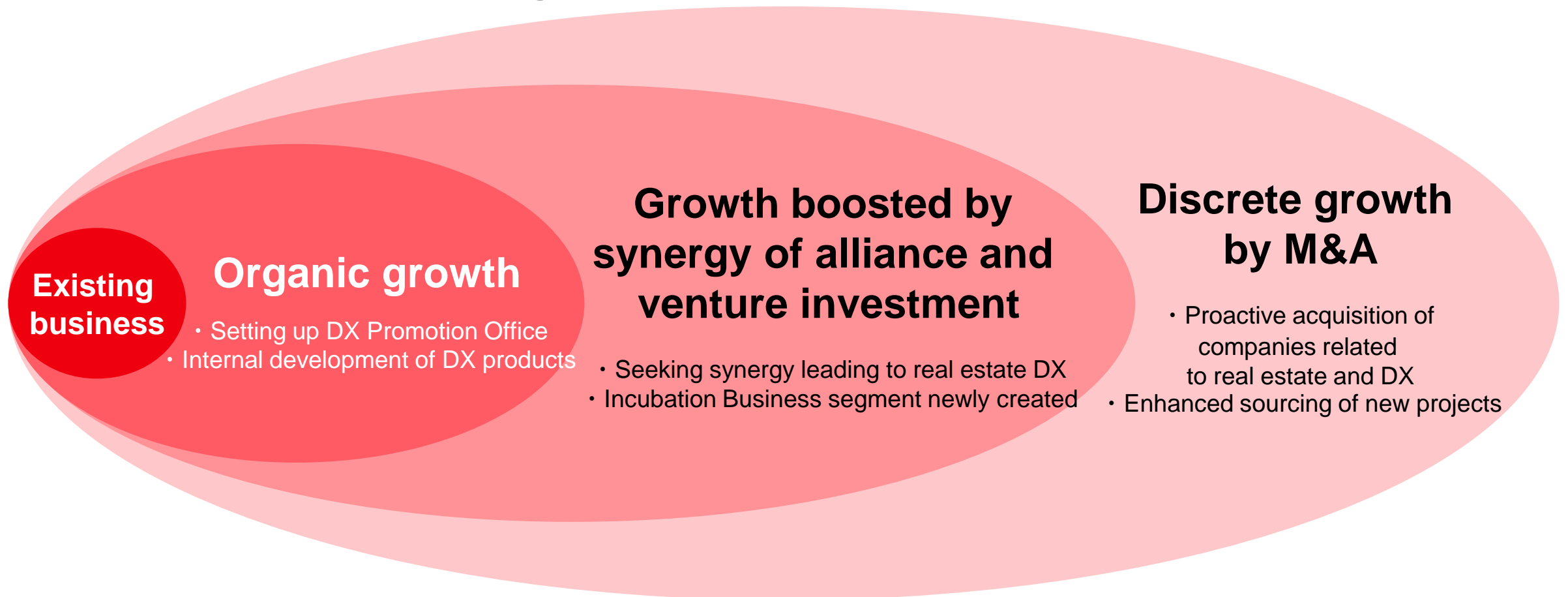
- Realizing IT explanation of important matters and electronic contracting on our business system (AMBITION Cloud; and management of contract documents with blockchain)
- Facilitating contracts for third-party services by smart contract systems within services for residents
- Higher operational efficiency and automation by renovating business processes along with building up AMBITION Cloud
- Higher efficiency in data consolidation by API integration of core system and AMBITION Cloud

## Major milestones

- 2022/05: Service of AMBITION Sign started
- 2022/09: Internal utilization of IT explanation of important matters and electronic contracting
- Future vision: Implementation of smart contract system on a platform integrated with other ecosystems
- 2022/09: Workflow renovation by internal adoption of AMBITION Cloud
- 2023/09: Automation utilizing API
- 2023/09: API integration of AMBITION Cloud and Core Platform

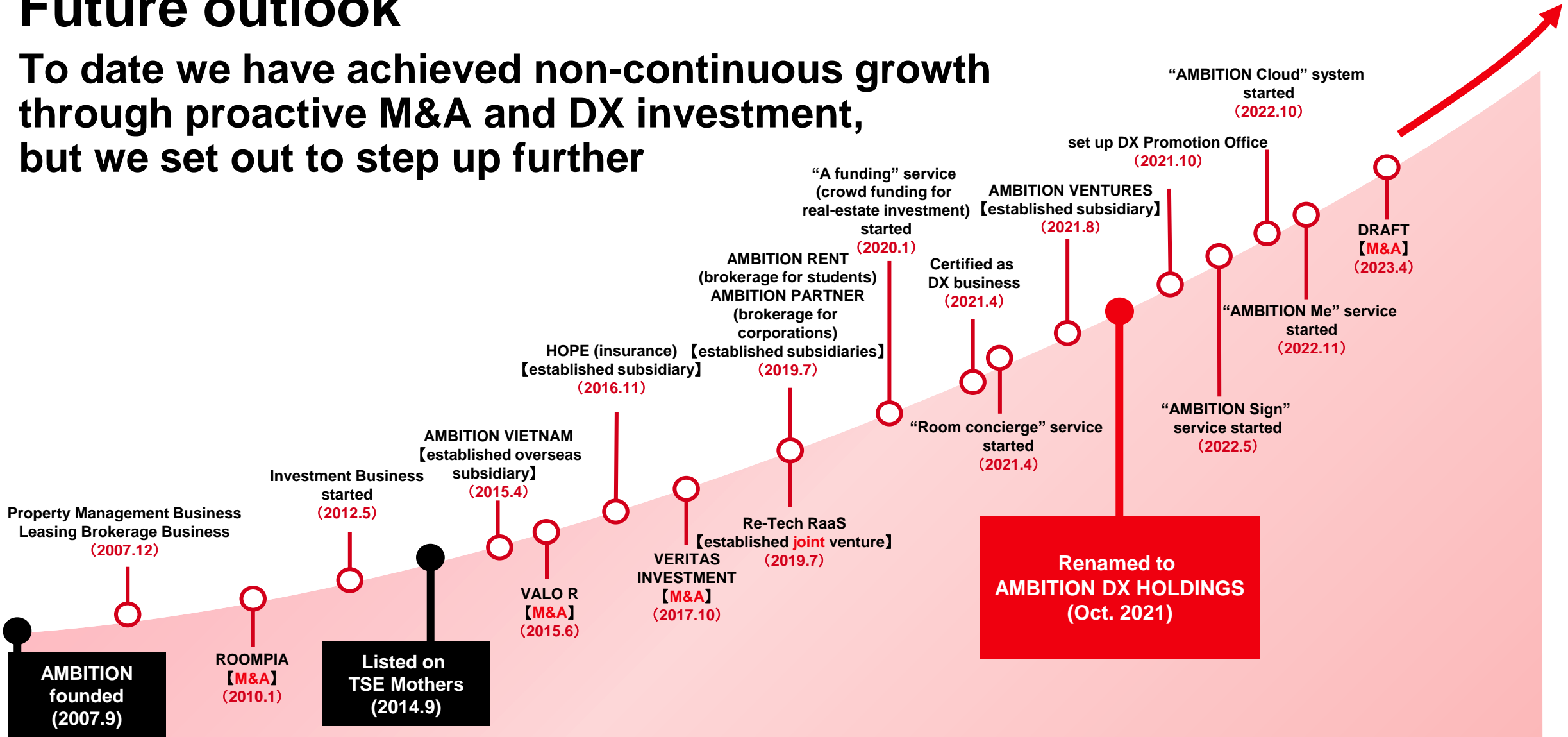
# Future outlook

**We will accelerate M&A and investment in alliance and ventures, to realize non-continuous growth**



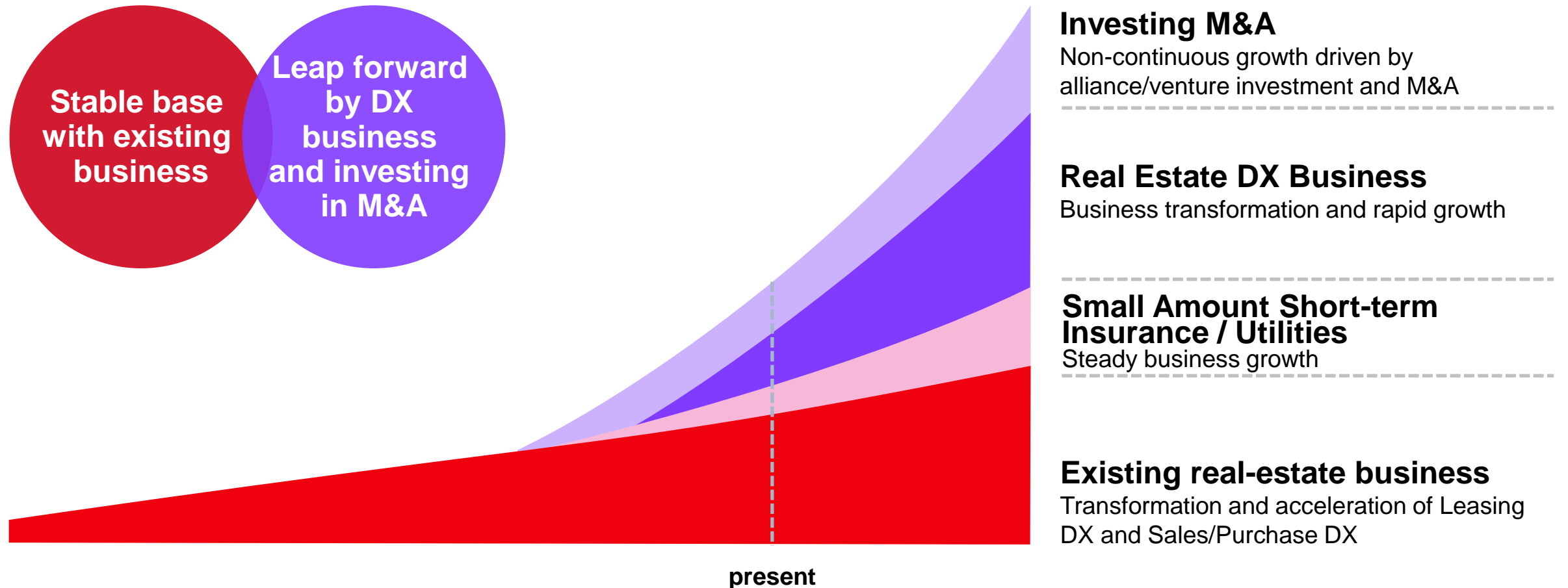
# Future outlook

To date we have achieved non-continuous growth through proactive M&A and DX investment, but we set out to step up further



# Image of our business growth for the future

## Crossing multiple growth curves towards further steep business expansion



# **FY06/2024 (full-term)**

## **Performance forecasts /**

## **Dividend forecasts**



# Full-term performance forecasts

Expecting higher revenues and earnings  
Still record-high sales and profit are expected

(mil. yen)

Item	FY06/2023 actual	FY06/2024 forecast*	YoY
Net sales	36,239	37,760	+4.2%
EBITDA (for reference)	1,901	2,392	+25.7%
Operating profit	1,603	2,006	+25.1%
Ordinary profit	1,482	1,677	+13.2%
Net profit attributable to owners of parent	961	1,104	+14.9%

- Strong stock business and growth of Leasing DX will enhance our value chain

- Significant extension of Sales/Purchase DX Investment Business and purchase/resale business

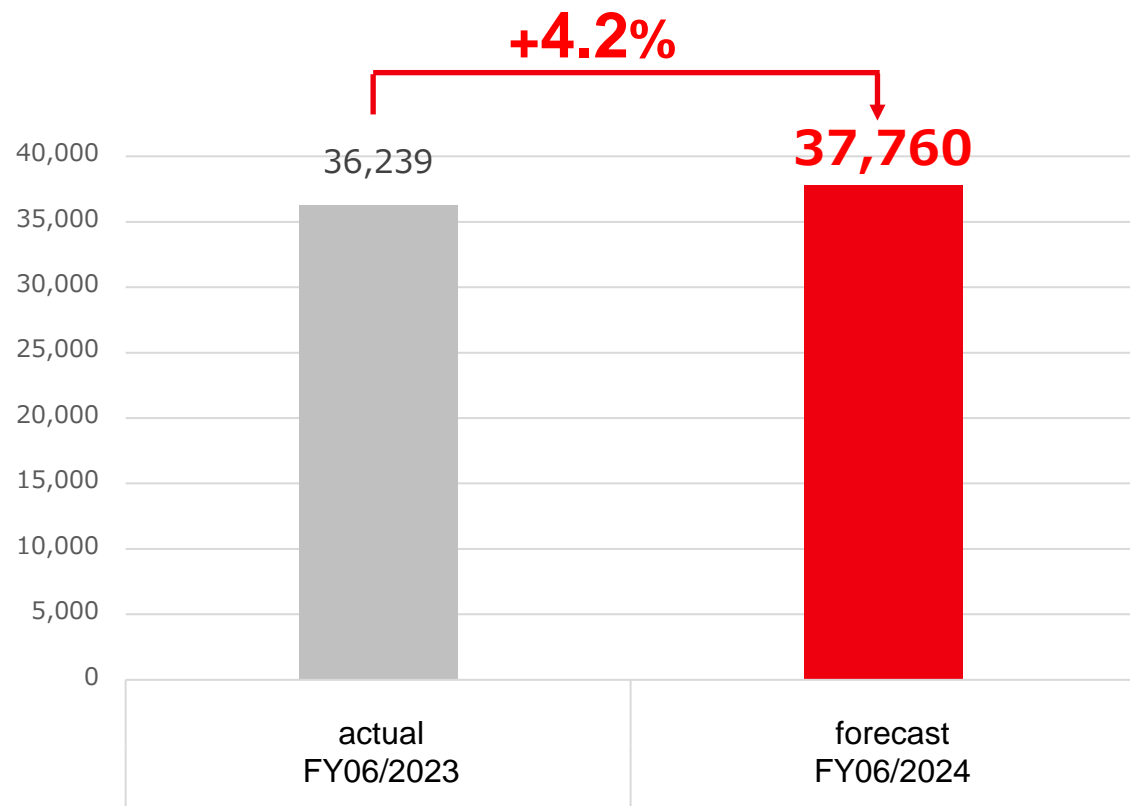
- M&A and investment in alliance and ventures

【Forecasts for FY06/2024 (full-term)】 \* Descriptions about the future such as performance forecasts contained in this document are based on information currently available to the Company and certain presumptions considered to be reasonable, and therefore actual business performance and other elements may differ substantially due to various factors.

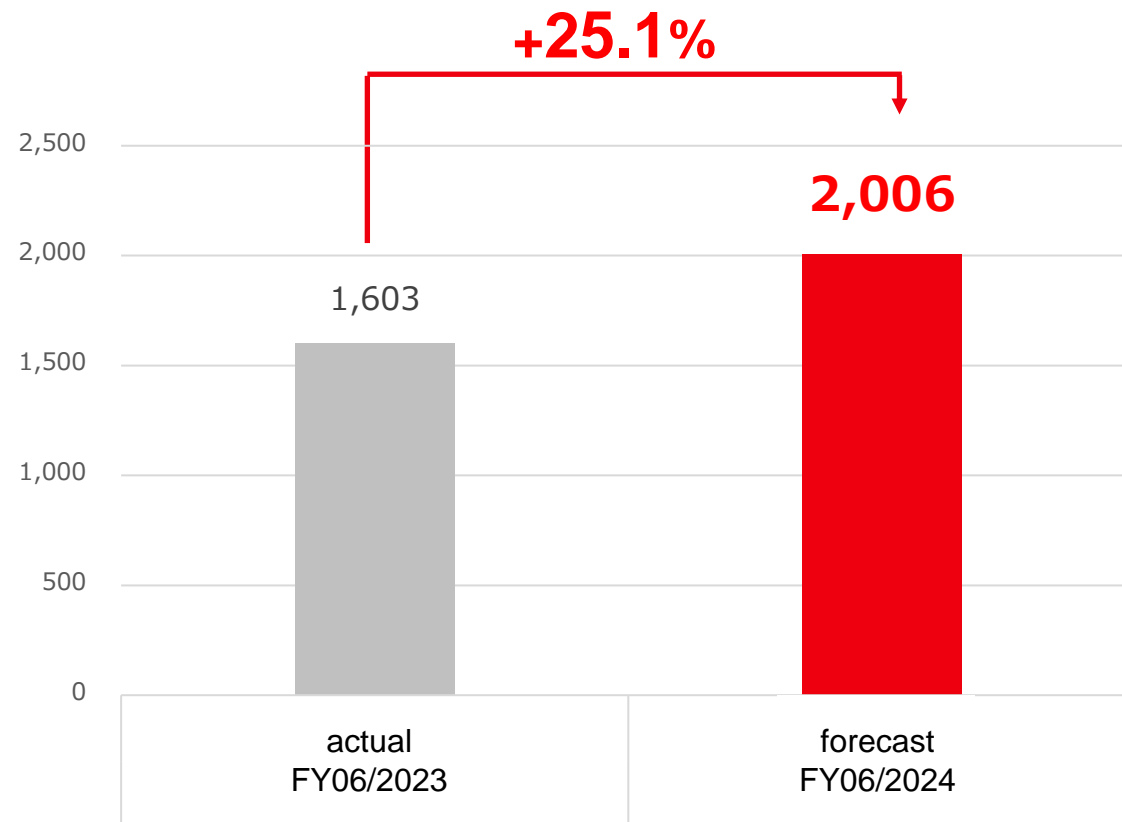
# Full-term performance forecasts

Operating profit is will increase by 25%. With our principal Leasing DX Property Management Business growing further, even wider value chain will be explored.

Net sales (YoY / mil. yen)



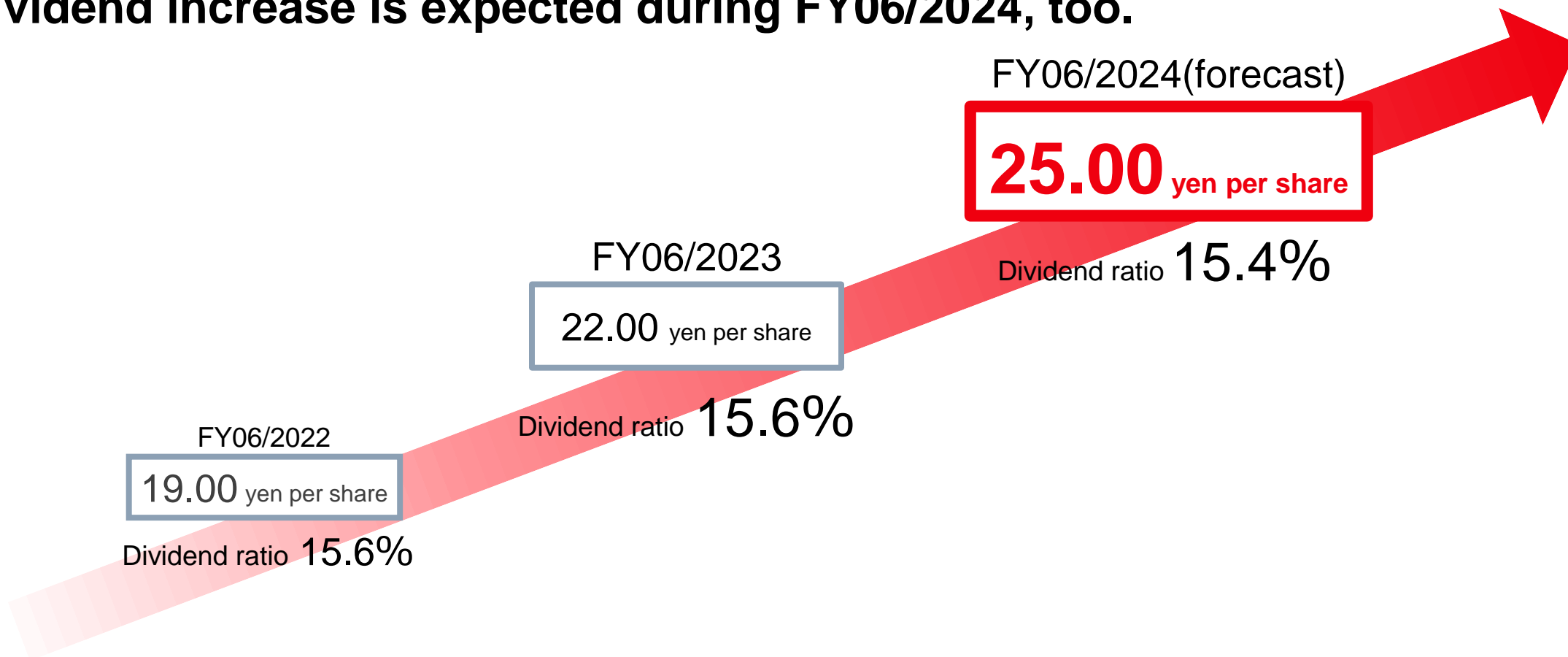
Operating profit (YoY / mil. yen)



## Dividend forecasts

The Company intends to continue stable return to shareholders while proactively investing in growing fields.

Dividend increase is expected during FY06/2024, too.



# We design experiences of comfort living.

To become a sole real estate digital platformer which fuses digital and real world together

[ir@am-bition.jp](mailto:ir@am-bition.jp)