



**MIGALO**  
**HOLDINGS**

# Financial Results

for the Q3 of the Fiscal Year Ending March 31, 2024

MIGALO HOLDINGS, Inc.

Securities Code:5535

February 2024

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※The figures for 1H of the fiscal year ending March 2024 are the results of Property Agent, Inc. which has been delisted.

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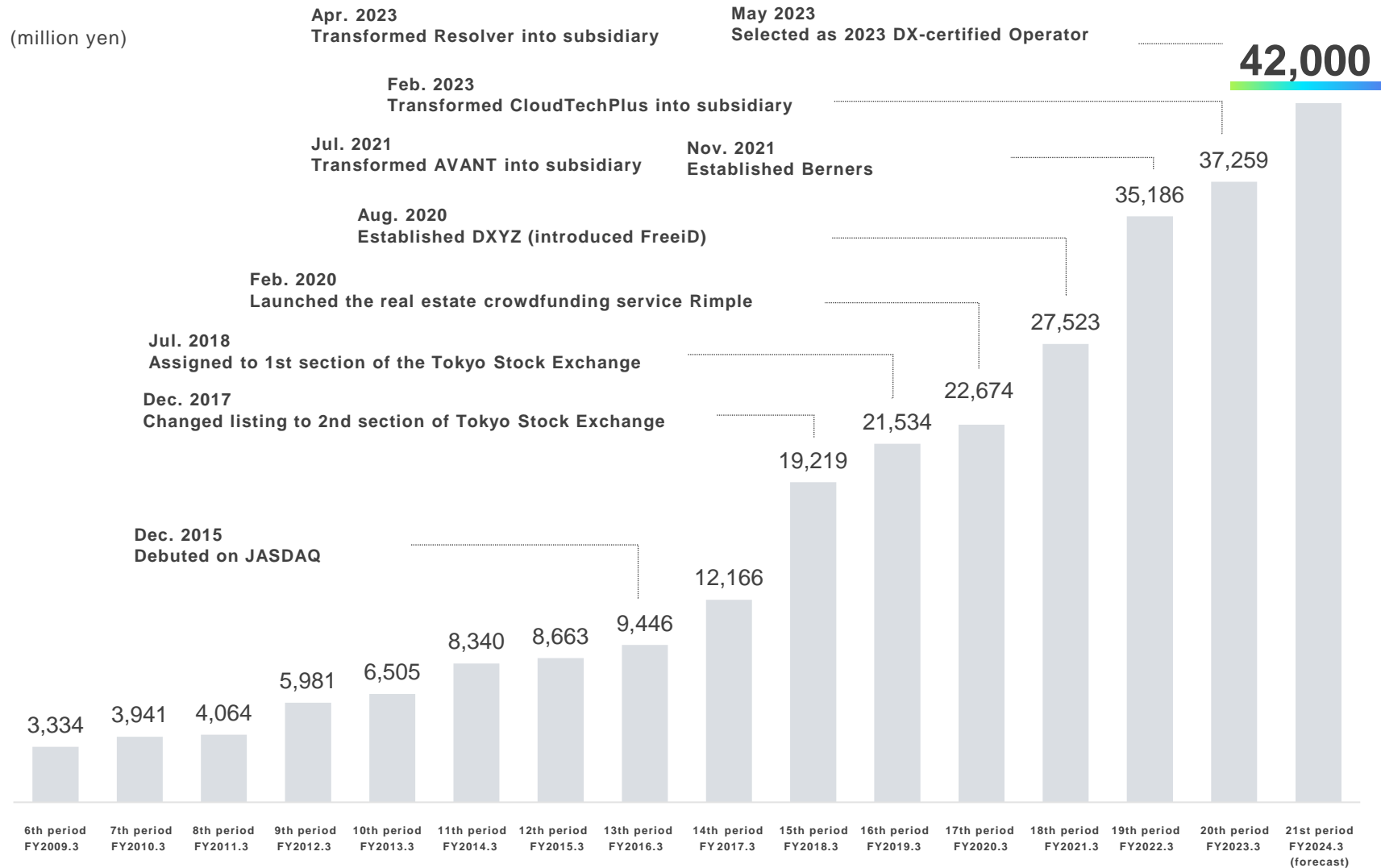
# 1. Company Profile

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## Company Overview

Company Name	MIGALO HOLDINGS, Inc.
Headquarters	41F Shinjuku I-Land Tower, 6-5-1 Nishishinjuku, Shinjuku-Ku, Tokyo, Japan
Representative	Sei Nakanishi President and Representative Director
Incorporation date	October 2, 2023
Share Capital	7 million yen
Employees	404 persons (consolidated basis/as of December31, 2023/including non-full-time employees)
Businesses	Formulation of business strategies and management of the Group's businesses (DX Promotion Business and DX Real Estate Business)
Group Companies	DX Promotion Business: DXYZ Co.,Ltd. / Avant Corporation. / Berners Inc. / CBLab inc. CloudTechPlus Co.Ltd / resolver inc DX Real Estate Business: PROPERTYAGENT, Inc./ AKI Commerce Co.,Ltd. / Associa Property Co.,Ltd.

# History and sales



Oct. 2023

**Established MIGALO HOLDINGS  
Newly listed on Tokyo Stock  
Exchange's Prime Market**

Since founding

**Sales and profit growth for  
20 consecutive years**

FY3/2024 net sales (forecast)

**Passes 40.0 billion yen**

## 2. Business Details and Future Outlook

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# MIGALO Group's businesses

Develop DX promotion business utilizing generative AI technology and deepen and expand DX real estate business

Create new businesses

Deepen existing businesses

**AI**



**DX Promotion Business**

Supporting DX using generative AI  
Providing smart city solutions



**DX Real Estate Business**

Providing services that range from development to sales and management of investment real estate in central Tokyo with DX Real Estate members as the core of the business



**PROPERTY AGENT**



**AKI COMMERCE**



**ASSOCIA PROPERTY**

Expanding real estate cloud funding



**RIMPLE**

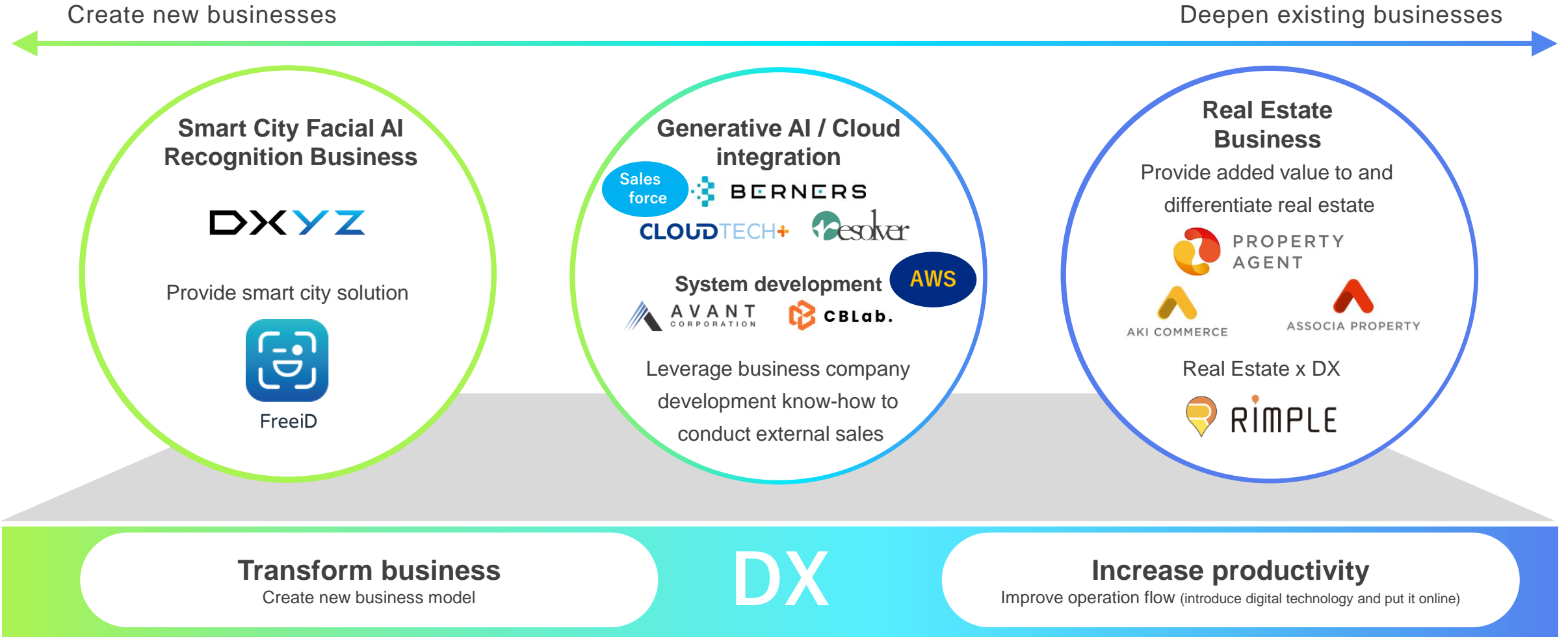
**Transform business**  
Create new business model

**DX**

**Increase productivity**  
Improve operation flow (introduce digital technology and put it online)

# Businesses developed by the Group

Deepen core businesses and create new businesses with DX as their foundation





# Facial recognition platform summary

Create new work styles and living styles that were not possible in the past

FreeiD makes it possible to use various facial recognition services by registering facial information a single time. Transitioning to a multi-platform makes it possible not only to enter and leave buildings, confirm identity, and make payments but also to earn points, issue coupons, etc. Leveraging its IT development capabilities and real estate knowledge, the Group provides solutions for smart cities in which everyone can conveniently live.



# Examples of facial recognition services in Japan

Various companies offer facial recognition services in Japan and their use is spreading to various locations.



Tokyo Olympics



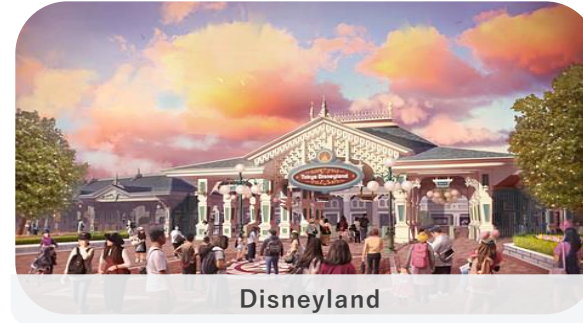
Fuji-Q Highland



Haneda airport



Tokyo Dome



Disneyland



JR West Japan



B LEAGUE



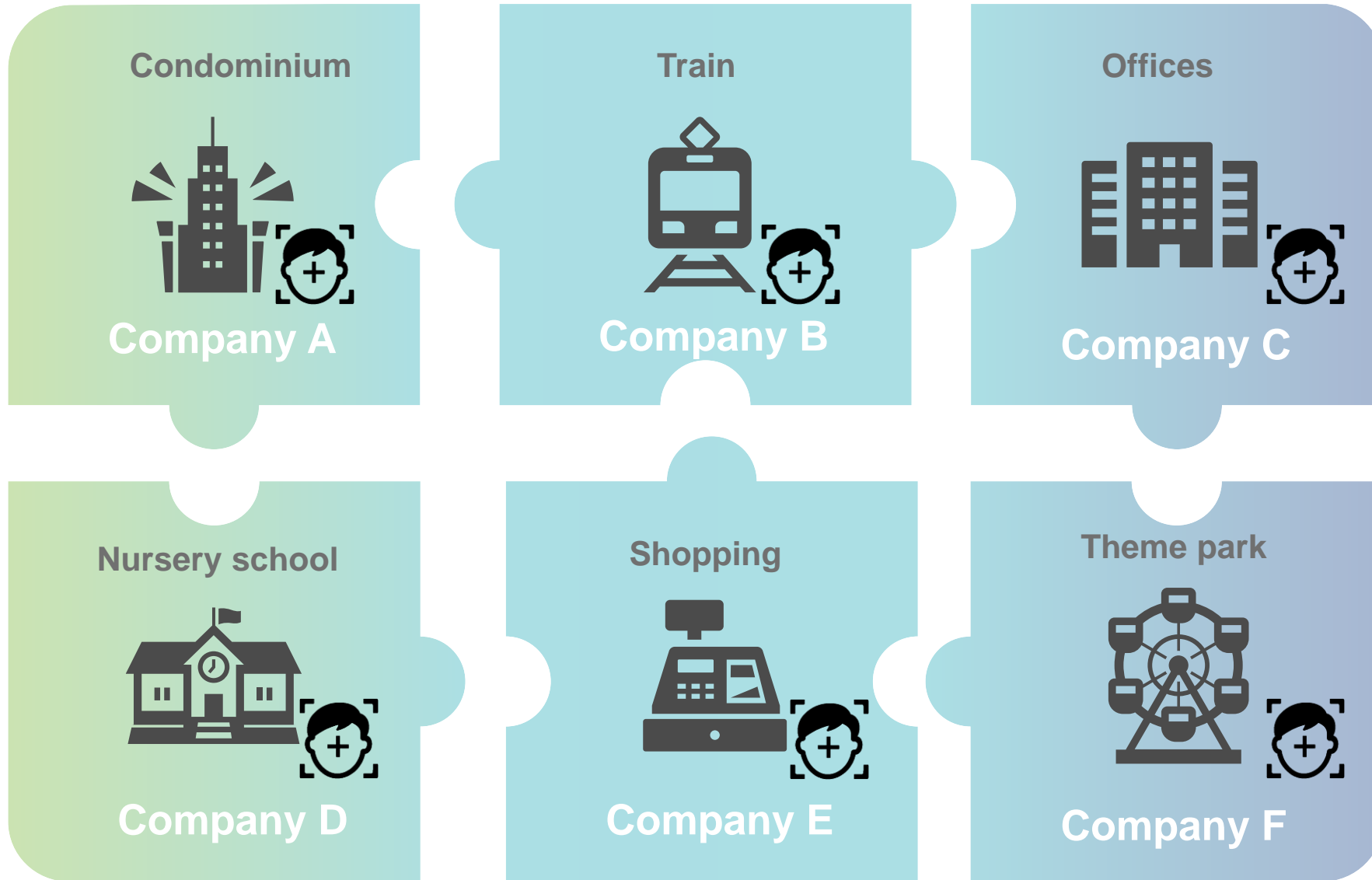
KINDAI University



MITSUBISHI ESTATE CO., LTD. (Bus)

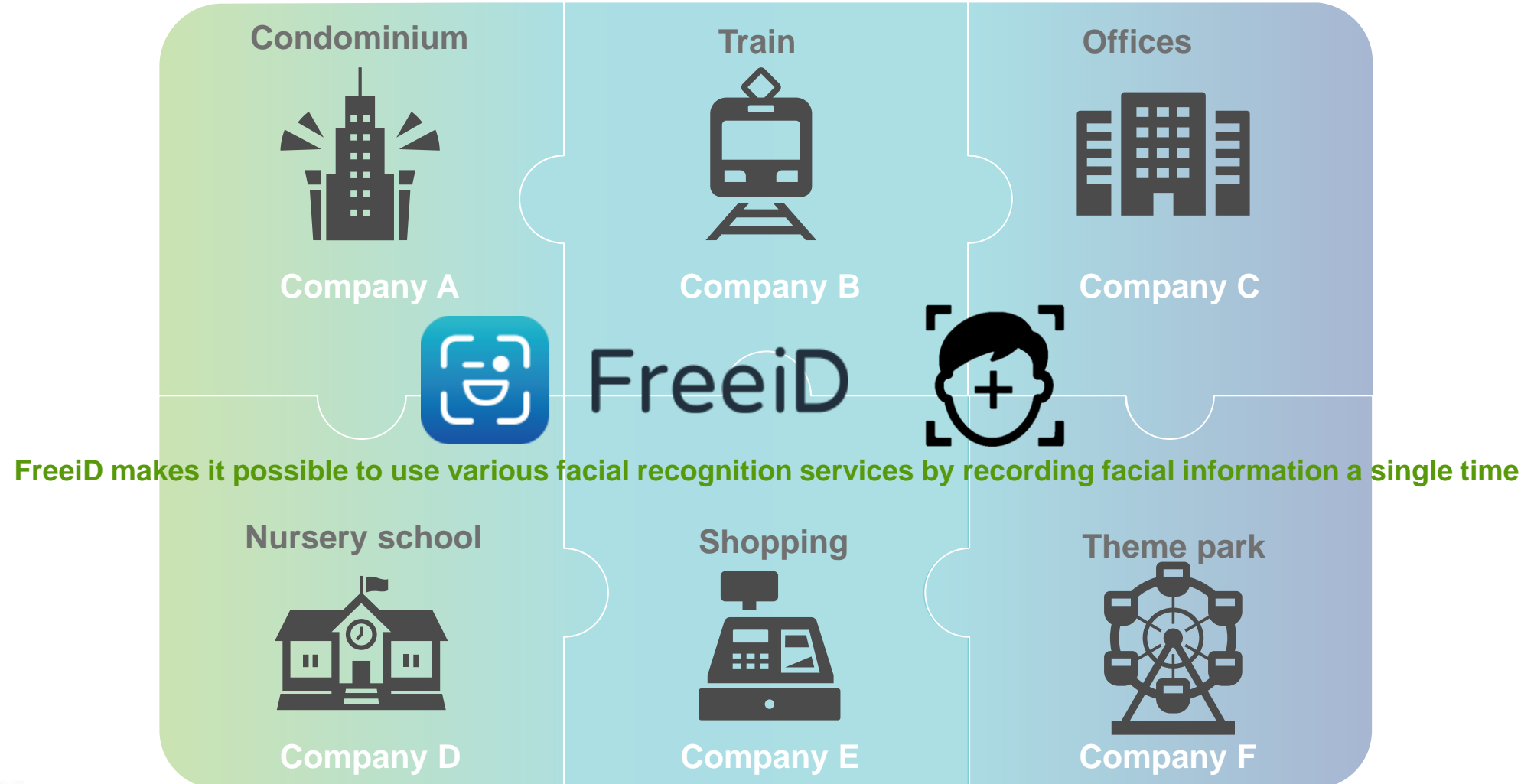
# Facial recognition services

Having to register facial information for each facial recognition service has hindered the spread between services



## Facial recognition services

Transiting to a **multi-platform** makes it possible not only to enter and leave buildings, confirm identity, and make payments but also to earn points, issue coupons, etc.



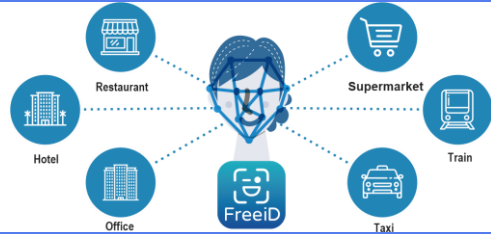
# List of facial recognition patents

DX Promotion Business

DX Real Estate Business

## MIGALO HOLDINGS and DXYZ patent information

Compatible with various facial recognition engines using single recording of facial information (Patent Number 6839313)



Granted patent for facial recognition system for offices (Patent number 6804678 and 6896131)

- Can control entry into offices and visits to facilities without the need for physical employee IDs and ID cards
- Possible to automatically unlock doors and manage entry into individual units with facial recognition



Granted patent for facial recognition system for condominiums

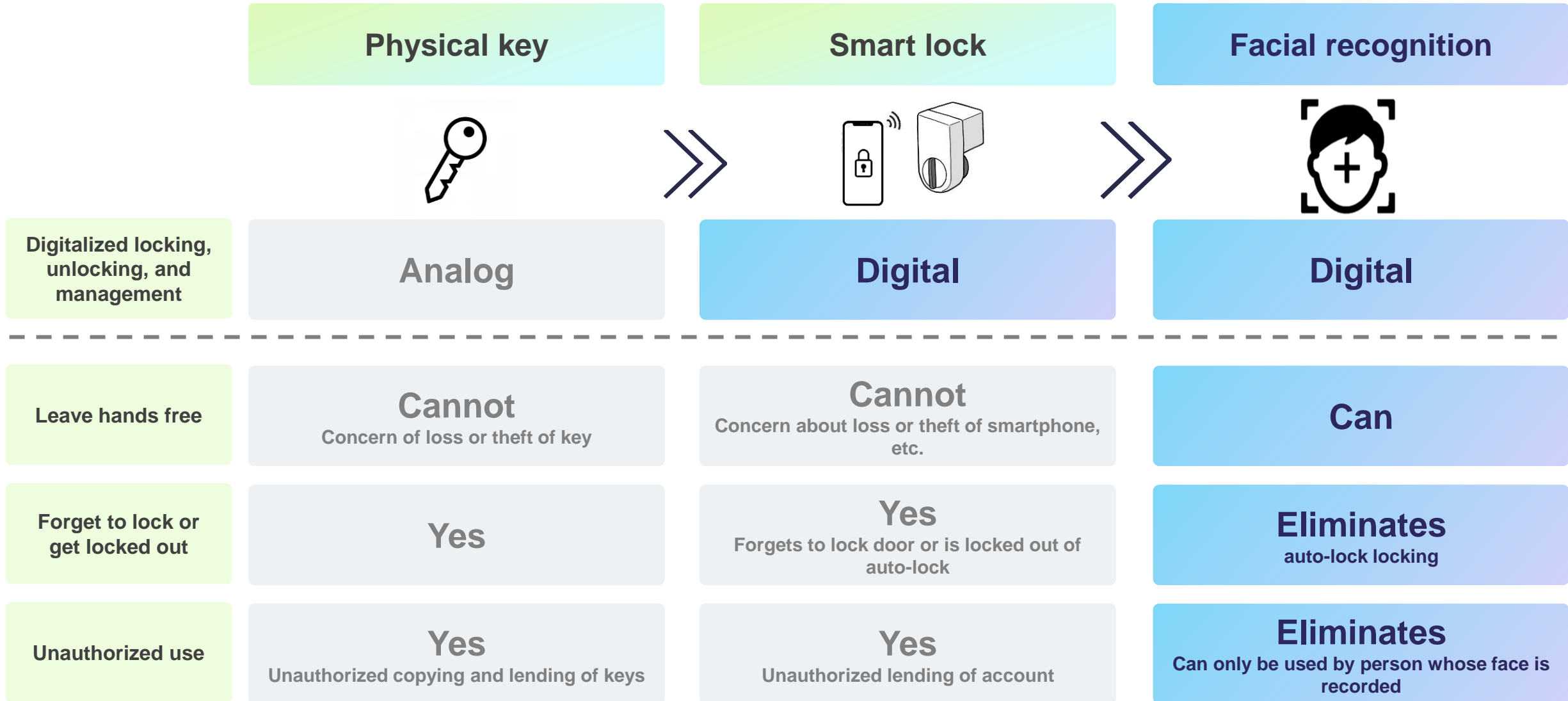
(Patent number 6690074, 6799223, and 6858914)

- Unlock entrance, parcel delivery box, elevators, and front door with “facial pass”
- Includes One Time (key lending) function that makes it possible for family members and friends who do not live in the residence to unlock doors



Patent number	Invention name	Date applied for
6690074	<a href="#">Facial recognition method, facial recognition system, program, and storage media</a>	Apr. 2020
6799223	<a href="#">Facial recognition method, facial recognition system, program, and storage medium</a>	Nov. 2020
6804678	<a href="#">Facial recognition method, facial recognition system, program, and storage medium</a>	Dec. 2020
6829789	<a href="#">Management server, delivery management method, program, and storage medium</a>	Jan. 2021
6839313	<a href="#">Facial recognition method, program, storage medium, and facial recognition system</a>	Feb. 2021
6858914	<a href="#">Information processing method, information processing system, program, and storage medium</a>	Mar. 2021
6896131	<a href="#">Facial recognition method, facial recognition system, program, and storage medium</a>	Jun. 2021
6985460	<a href="#">Recognition system</a>	Nov. 201
7038877	<a href="#">Facial recognition system and program</a>	Mar. 2022
7038887	<a href="#">Facial recognition system and information processing method</a>	Mar. 2022
7055924	<a href="#">Facial recognition system and program</a>	Apr. 2022
7096939	<a href="#">System, facial recognition platform, and information processing method</a>	Jun. 2022
7096941	<a href="#">Bar and restaurant system and information processing method</a>	Jun. 2022
7151015	<a href="#">Program, computer, and information processing</a>	Sept. 2022
7230074	<a href="#">Recognition system</a>	Feb. 2023
7245377	<a href="#">Facial recognition system and program</a>	Mar. 2023
7336572	<a href="#">Information processing system, program, and information process method</a>	Aug. 2023
7355790	<a href="#">Program, system, and information processing method</a>	Sept. 2023

# Convenience provided by facial recognition







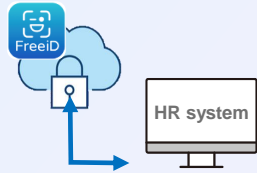


# Facial recognition platform FreeiD—Differences between DXYZ and competitors

## Reason for selecting FreeiD (1)

## Strengths of facial recognition system

Selected because of high recognition specifications, ease of recording and managing facial information, and strong expandability of system

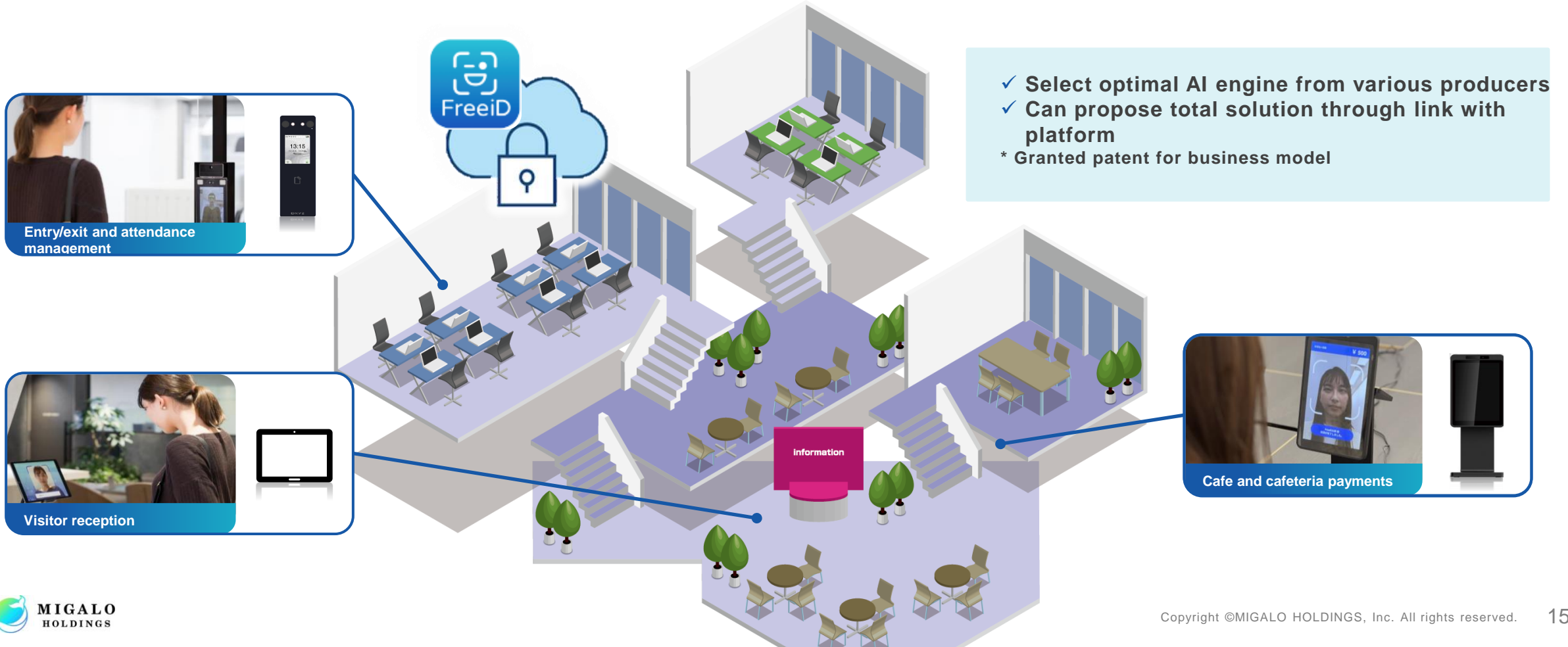
	Competitors	FreeiD
Recognition specifications	<ul style="list-style-type: none"> <li>✓ Recognition process may take 2-3 sec.</li> <li>✓ Generally used indoors because multi-purpose tablet is used</li> </ul>	<p><b>Makes it possible to just walk through checkpoints</b></p>  <p>Recognition process takes 0.2–0.3 sec.</p> <p><b>Can also be installed outside</b></p> <p>Products that can be used in environments with temperature between -30°C and 60°C</p> 
Recording and management	<ul style="list-style-type: none"> <li>✓ Need for equipment such as specialized terminals to register face</li> <li>✓ Limited use as assumes physical key</li> </ul>	<p><b>Possible to record facial information using smartphone</b></p>   <p>No need for specialized terminals, photo sessions, or facial photo management</p> <p><b>Can fully manage authorization via management screen</b></p>  <p>No need for facilities such as server room because it is a cloud system</p>
System scalability	<ul style="list-style-type: none"> <li>✓ Can only make proposals for their own engine (device)</li> </ul>	<p><b>Makes it possible to “do one’s work with face only”</b></p>  <p>Used for building entry/exit management, employee cafeteria payments, locker use, etc.</p> <p><b>Can also be linked to other systems such as attendance</b></p>  <p>Other companies’ cloud services, HR system, etc.</p>

# Facial recognition platform FreeiD—Differences between DXYZ and competitors

## Reason for selecting FreeiD (2)

## Offers facial recognition platform FreeiD solutions

There are few facial recognition services, but FreeiD can be introduced in various locations with little additional development by leveraging the strengths of our own package.





# Main cases of providing facial recognition services

## SaaS Solution

Staff-free stores



Condominium



Golf course



Nursery school



Offices



Government offices and schools



## SaaS Custom

Theme parks



Food Court

Facial recognition-based payment service used in Sanga Stadium by Kyocera

Linked to attendance system



Construction sites

Listed on Tokyo Stock Exchange  
Provide development services for general contractors

Introduced after developing as FreeID solution

## PaaS platform

人を、想う力。街を、想う力。



**Machi Pass**

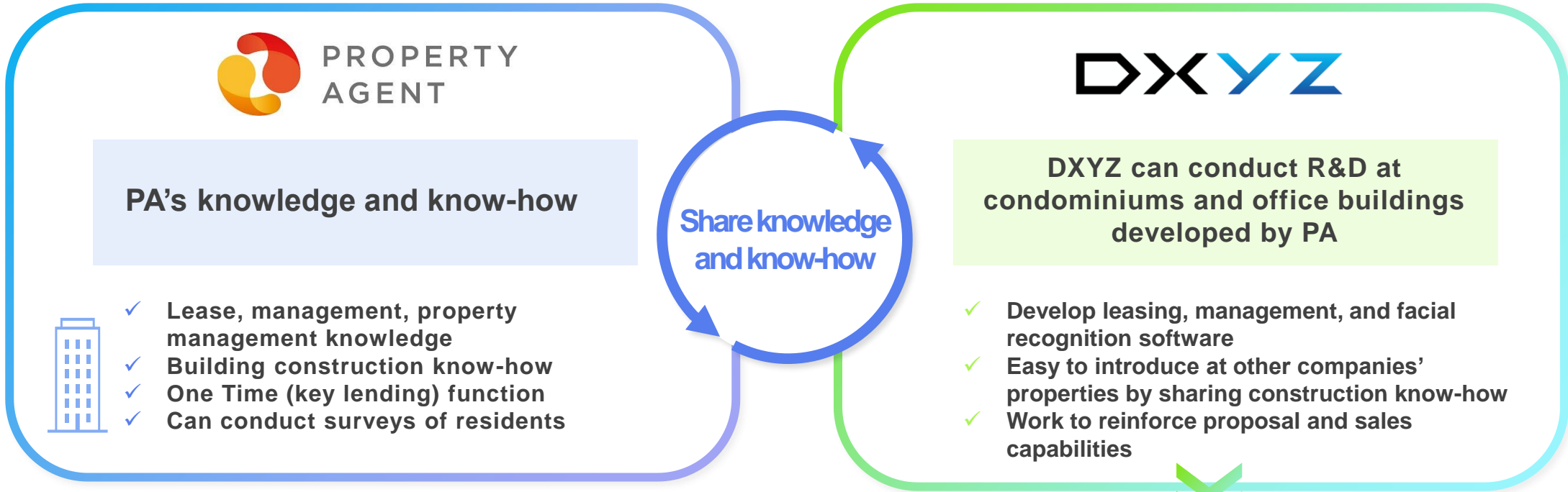
Provide technology and support development of Machi Pass Face, Mitsubishi Estate's facial recognition service alliance platform

# Strengths of Property Agent (PA) and DXYZ

DX Promotion Business

DX Real Estate Business

Sharing PA's condominium development knowledge and research environment with DXYZ promotes facial recognition R&D and improves ability to convince other companies to introduce the platform



FreeiD

Advancing facial recognition R&D and expanding its introduction

# First facial recognition condominiums spread throughout Japan

DX Promotion Business × DX Real Estate Business

FreeiD introduced Condominium units

Introduction Area

## Total 60 condominium

Number of companies

### Total 33 companies

NEW



FreeiD to be installed in "The Park Habio Shinsakae" developed and managed by MITSUBISHI ESTATE RESIDENCE CO.,LTD.



\* As of December 31, 2023



## Expanding to all over Japan



新日本建物 × DXYZ



安田不動産株式会社 × DXYZ



# Article on increasing asset value of condominiums with facial recognition system

DX Promotion Business

DX Real Estate Business



Article Summary

## Zenkoku Chintai Jutaku Shimbun (Products and Services (page 8) of November 20, 2023, edition) Facial recognition platform FreeiD has been or is planned to be introduced into 120 properties

The number of properties that have introduced or plan to introduce the facial recognition platform FreeiD has grown to 120. Expected higher rents as a result of greater convenience for residents and increased property value are often given as reasons for introducing the platform.

Kazuhiro Mihara, the president of Nihonbashi Real Estate Appraisal Synthetic Office, which conducts real estate appraisals, noted that data on concluded contracts indicates the rent for apartments with facial recognition technology is **3%–5% higher** than the market average for the surrounding area and that the value of properties tends to increase when such systems are introduced.

4年からは、顔認証を通じた決済サービスの提供を予定している。導入理由の多くは、入居者の利便性が向上することによる、賃料の上昇や物件の価値向上が見込めるからだ。不動産鑑定を行う日本橋鑑定総合事務所（東京都中央区）の三原一洋社長は「顔認証システムがある物件の賃料を周辺相場と比較すると、平均して3〜5%ほど高い賃料で成約している」と語る。

直近では、同年1月竣工予定の三菱地所レジデンス（東京都千代田区）が手がける賃貸マンション「ザ・パークハビオ新栄」におけるFreeiDの導入が決まっている。

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**DXYZ 顔認証、導入予定含め約120棟**

顔認証プラットフォーム事業を行うDXYZ（ディクシーズ・東京都新宿区）が提供する顔認証プラットフォーム「FreeiD（フリード）」の導入済み物件が、10月末時点で49棟となった。新築の賃貸や分譲マンションを中心に引き合いが増加しており、導入予定を含めると約120棟となる。

FreeiDは、専用アプリで顔情報を登録することで、物理鍵を使わずにエントランスから宅配ボックス、エレベーター、住戸までの解錠を可能にする。オフィスをはじめ保育園、テーマパーク、ゴルフ場など、自宅以外の場所でも、顔情報を読み取る端末を設置すれば、顔情報を連携し、解錠や本人確認などを行うことができる。2024年からは、顔認証を通用した決済サービスの提供を予定している。

導入理由の多くは、入居者の利便性が向上することによる、賃料の上昇や物件の価値向上が見込めるからだ。不動産鑑定を行う日本橋鑑定総合事務所（東京都中央区）の三原一洋社長は「顔認証システムがある物件の賃料を周辺相場と比較すると、平均して3〜5%ほど高い賃料で成約している」と語る。

直近では、同年1月竣工予定の三菱地所レジデンス（東京都千代田区）が手がける賃貸マンション「ザ・パークハビオ新栄」におけるFreeiDの導入が決まっている。

# “Facial pass” condominiums selected



Article Summary

“Facial pass” condominiums that have introduced DXYZs FreeiD were selected for the feature article “Home Trends 2024” appearing in SUUMO Shinchiku Mansion (January 5, 2024, edition)



**鍵がなくても顔パスで解錠  
留守中や共用施設の入退も**

マンション・セキュリティの進化が著しい。カードキーや手ぶらで施錠できるリモートキーは一般的になりつつある。最近では「顔認証」で入室できるシステムが登場している。両手がふさがっていてもエントランスや住戸に入れるのはもちろん、鍵を忘れたり失くす心配もない。駐輪場などの共用施設も顔パスで出入りでき、利便性が大幅にアップしそうだ。

1 マンションに導入が進む顔認証プラットフォーム。アプリで事前に登録すれば、居住者が不在でもゲストが顔認証で住戸に入れる機能も付いている。

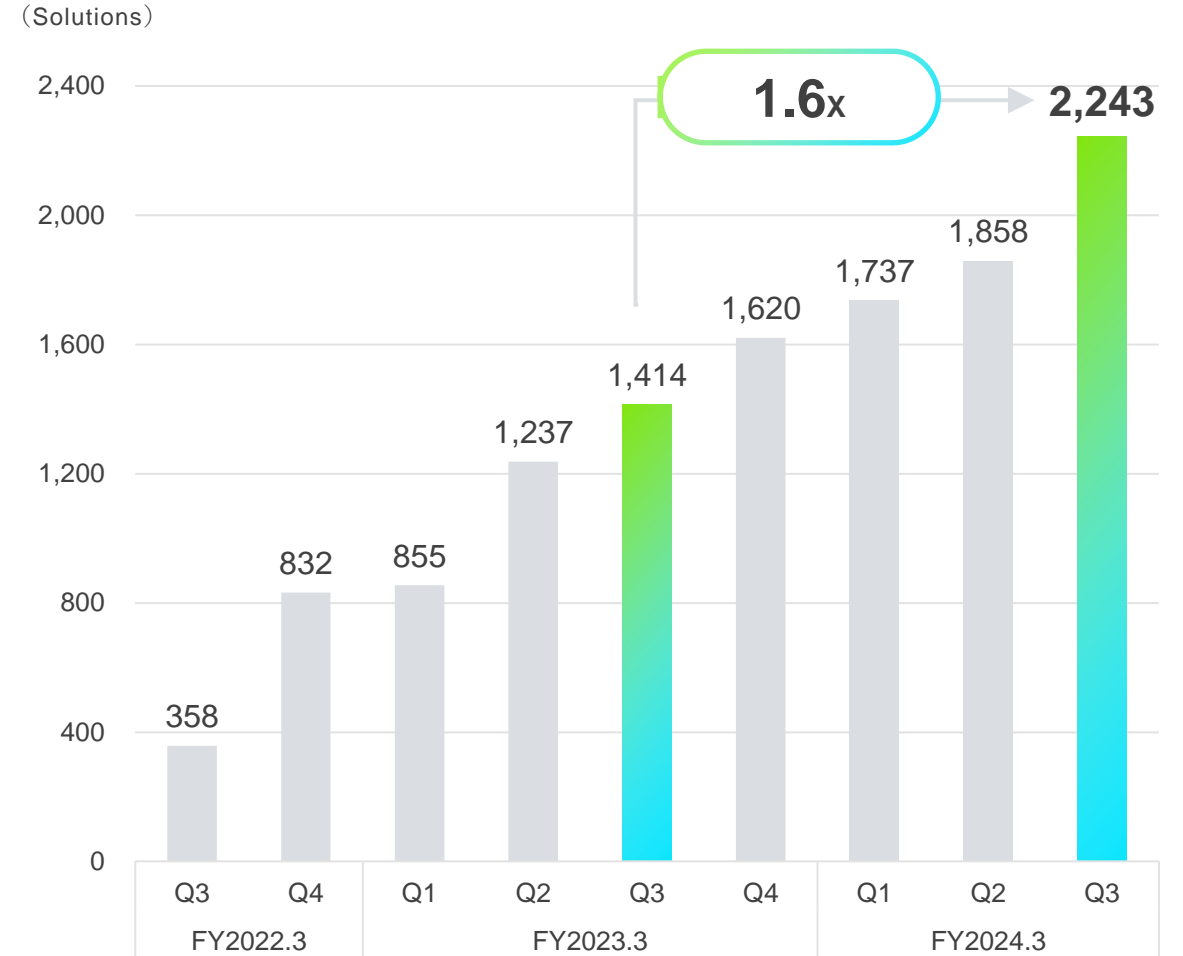
2 ゴミ置き場や宅配ボックスなども顔パスで開閉できる。(画像提供 / FreeiD)

# Facial recognition platform “FreeiD”

### Number of “FreeiD” users

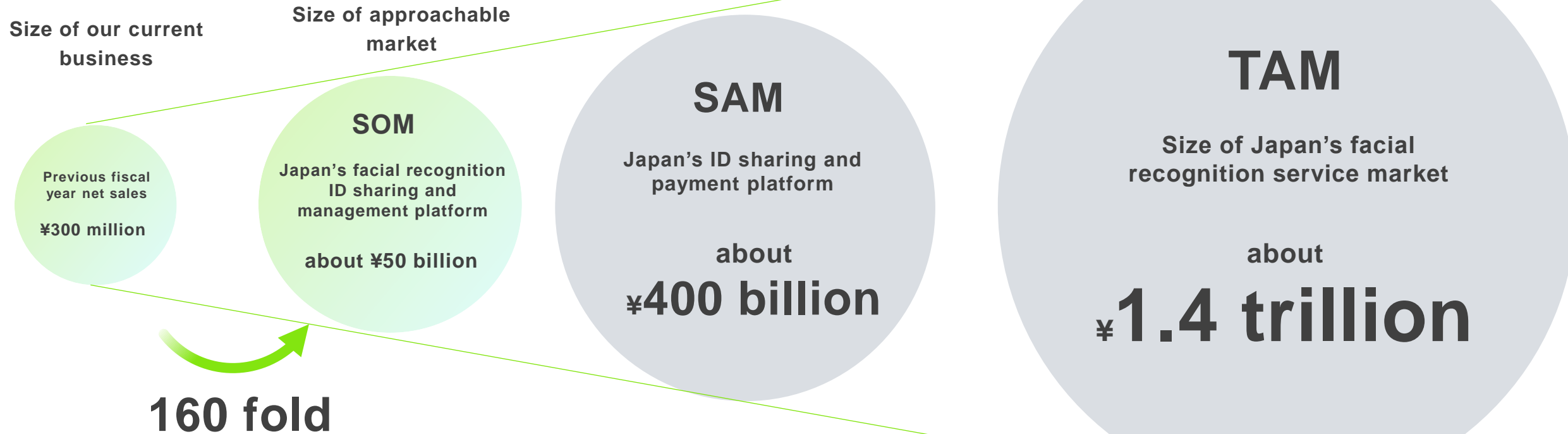


### Number of solutions



## DX market scale (size of facial recognition market)

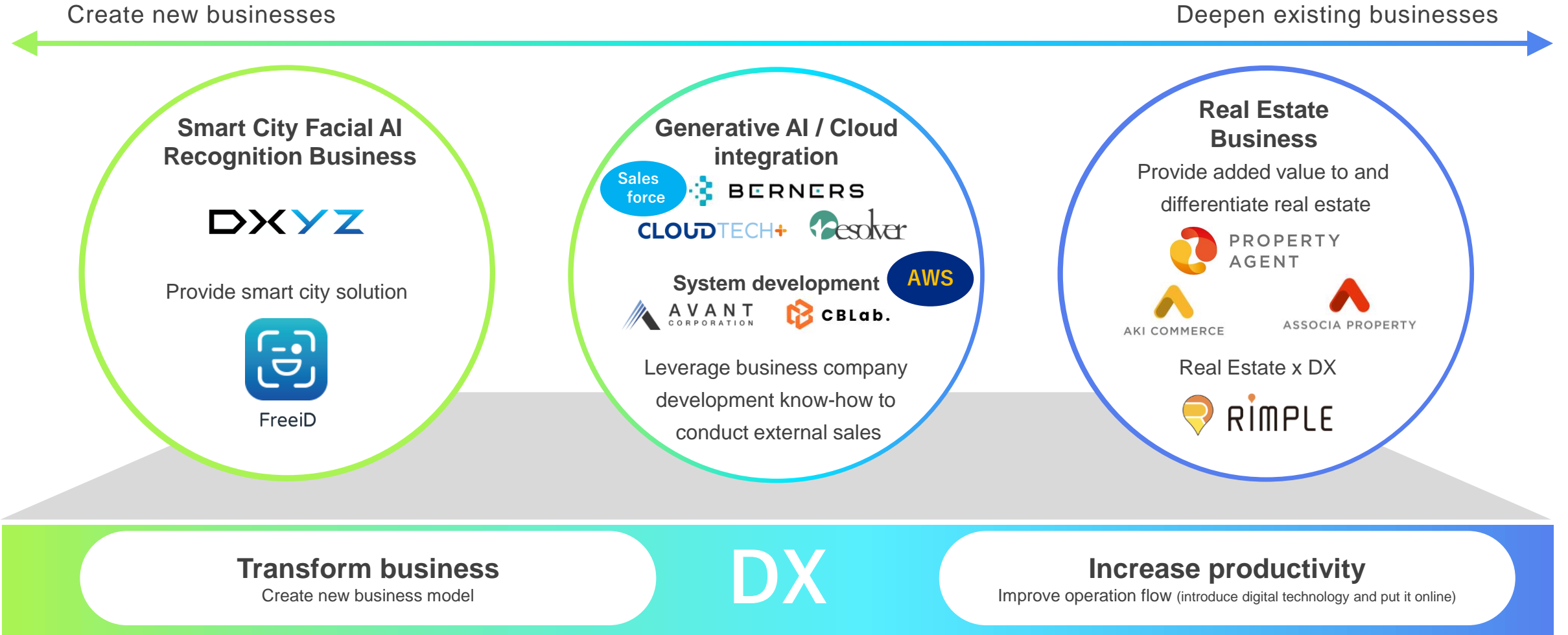
The actual size of the market that can be approached is approximately 160 times the previous year's sales, and there is considerable room for expansion.



Source: NLI Research Institute Real Estate Investment Report Japan's Real Estate Investment Market Size (July 18, 2023); Statistics Bureau of Japan's May 2022 Service Inventory Trend Survey (Preliminary Report); Real Estate Economic Institute's Greater Tokyo Investment Condominium Market Trends; Tokyo Kantei's New and Pre-owned Condominium Market Trend (Greater Tokyo Area)

# Businesses developed by the Group

Deepen core businesses and create new businesses with DX as their foundation





## Strength in implementing DX

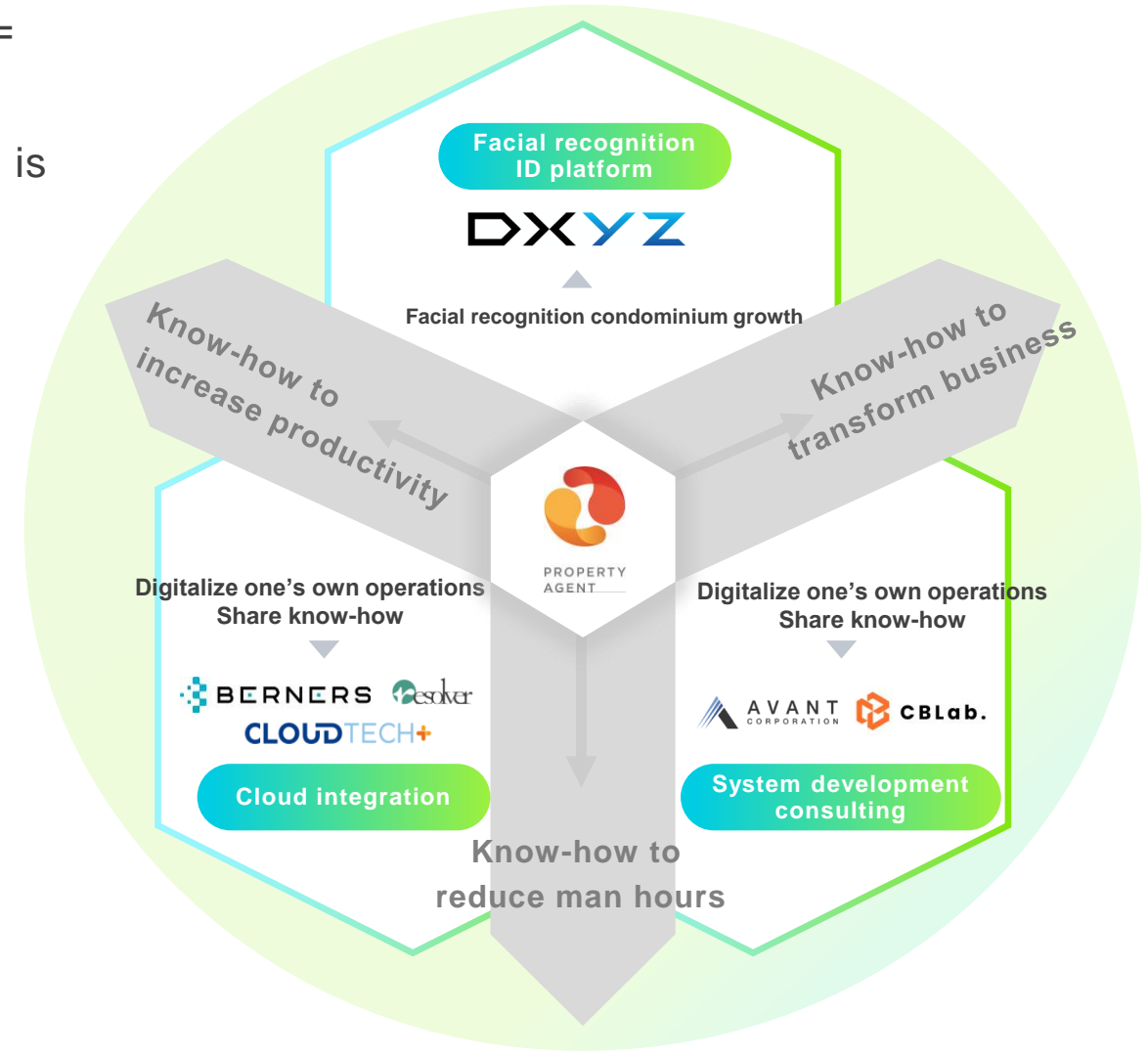
Digitalizing the Group's business companies' operations =

Transforming the business through DX

Ability to introduce this DX know-how to other companies is one of the Group's strengths.

### Support DX promotion by introducing know-how acquired through our own DX to other companies

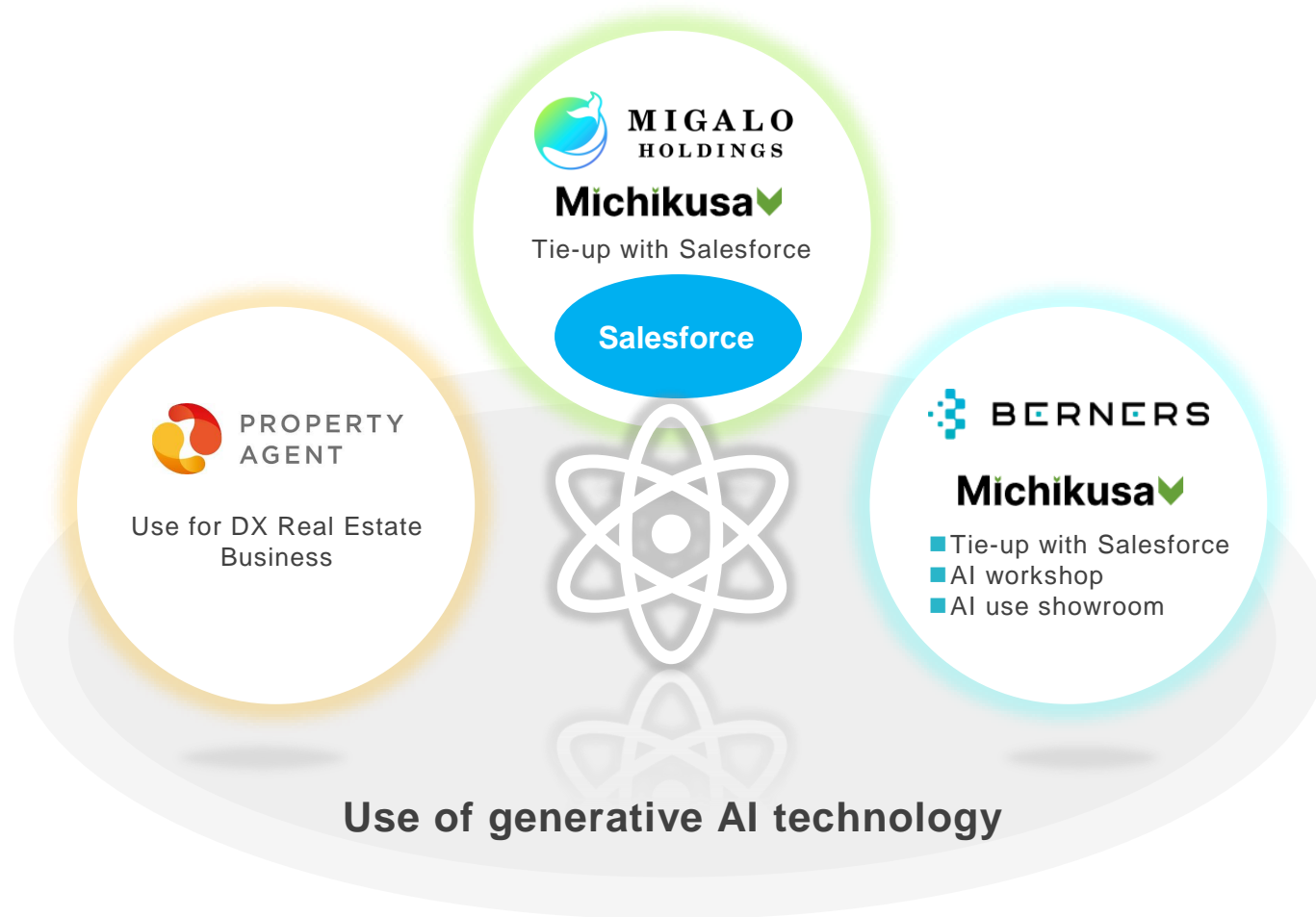
- Support the introduction, operation, and taking root of Salesforce/AWS
- System consulting to promote DX
- System development that makes use of extensive development capabilities and know-how
- Cover a wide range of fields and industries



## Expand DX promotion know-how to other companies

# Generative AI

Set up AI BERNERS Generative AI Lab (BGAIL) AI workshop and opened showroom of AI uses



- ✓ Migalo Group leverages generative AI for planning, R&D, design, and production
- ✓ Using AI to develop human resources
- ✓ Using AI to create actual environments
- ✓ Contributing to the evolution of AI by providing cases to improve AI accuracy

Contributes to greater productivity  
for customers

### Number of active SI projects



# Cloud integration service provided

Clients that we work with are various leading companies.

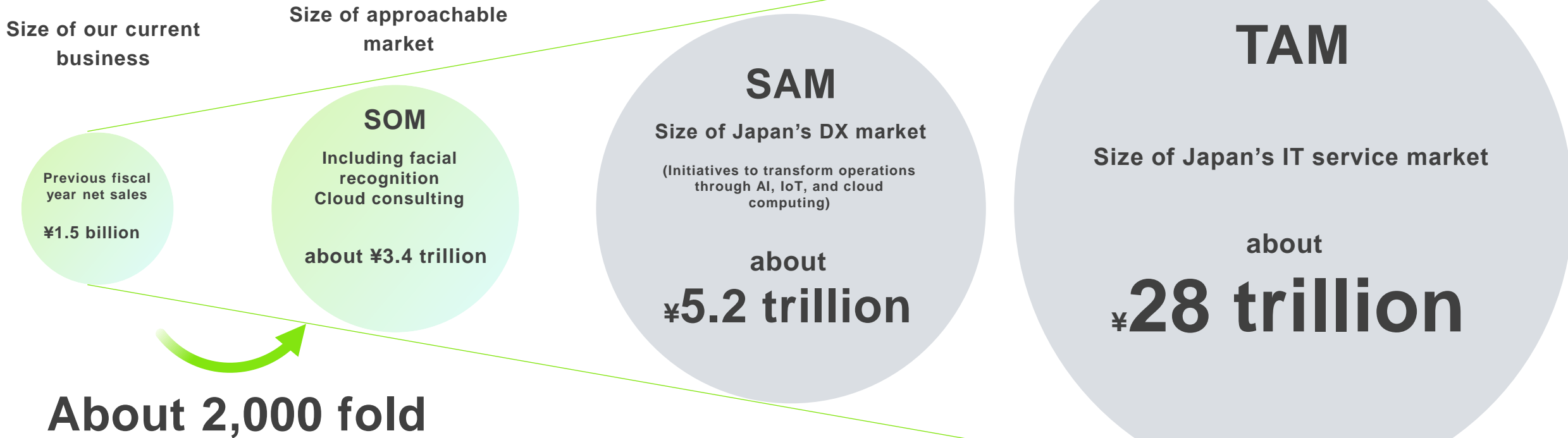


Number of  
DX promotion and support  
services provided

**136 companies**  
(YoY : +71 companies)

# DX market size (system development market size)

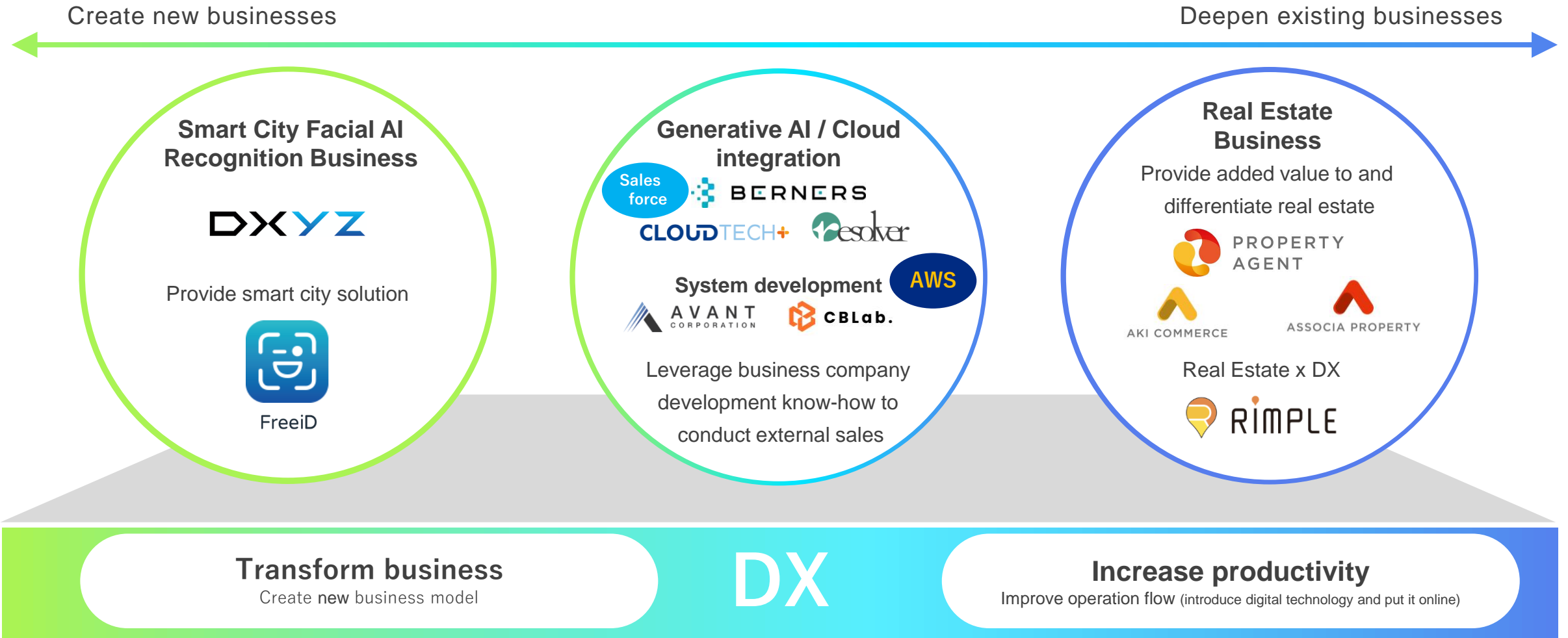
The market size that can actually be approached is large, and there is still room for expansion, given that it is a growing market.



Source: IDC Japan corporation, "Domestic IT Market Industry Sector Forecast 2022-2026" / Fuji Chimera Research Institute, "2022 Digital Transformation Market Future Outlook" / Fuji Chimera Research Institute, "2023 Cloud Computing Present Situation and Future Outlook".

# Businesses developed by the Group

Deepen core businesses and create new businesses with DX as their foundation



## Business core (Number of DX Real Estate Members)

We have deployed platforms tailored to customer needs, including the real estate investment crowdfunding “Rimple” and the real estate investment information site “Real Estate Investment Times.”

### Service operations tailored to social conditions and customer needs



- Investments can be made from 10,000 yen per unit.
- Operation of real estate coins that can utilize points from other companies

永久不滅  
ポイント

セゾンポイント

ハピタス

ハピタス

moppy

モッピー



プロが伝える資産運用のイマ!  
不動産投資Times

- Over 300 columns have been delivered.
- Real estate investment professionals support as dedicated advisors.

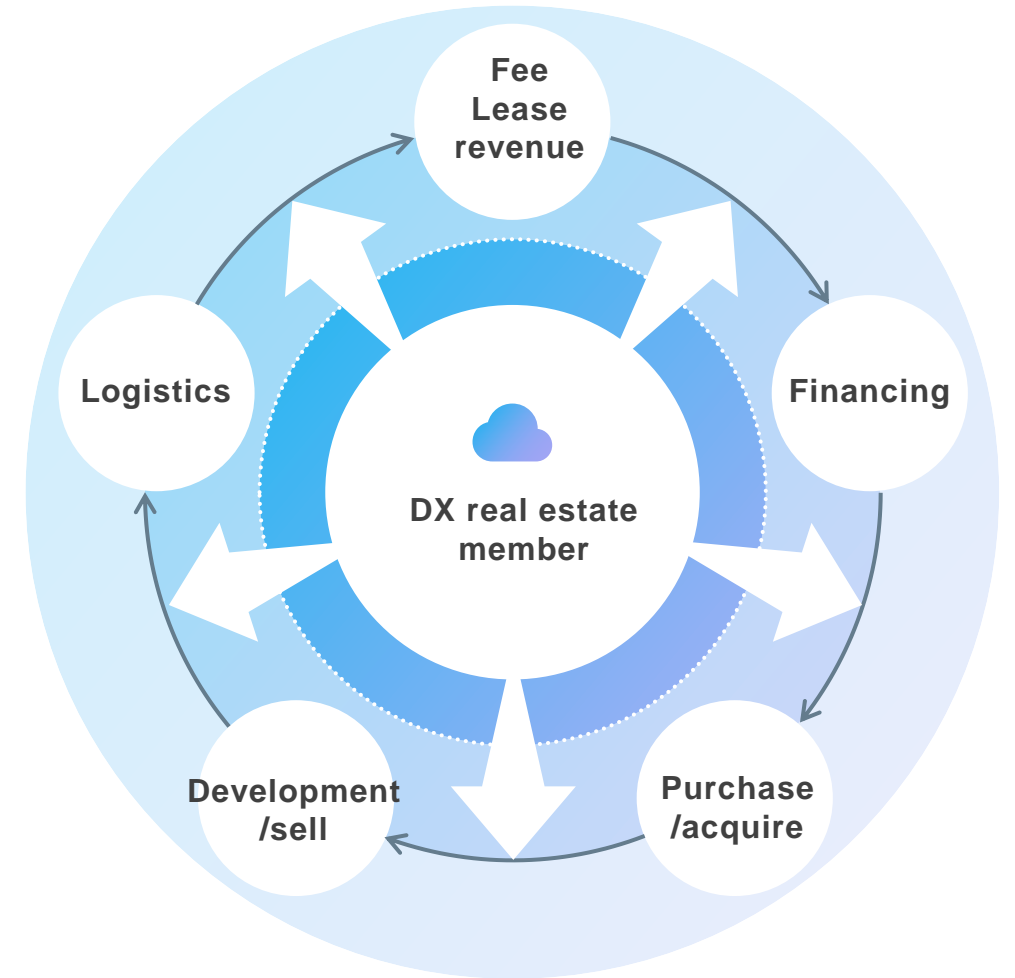
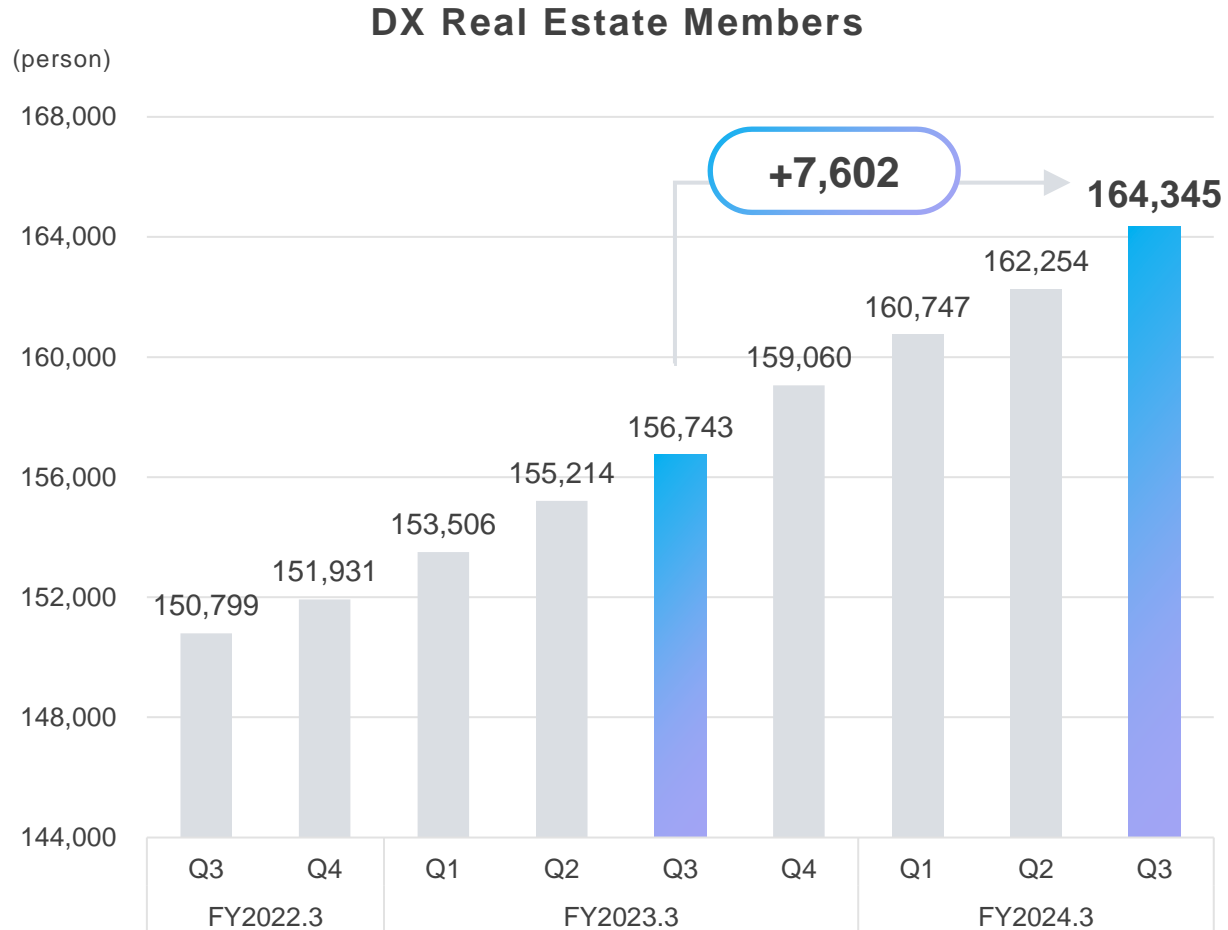
Number of  
DX Real Estate Members

**164,345** persons  
(YoY : +7,602 persons)

\* As of September 30, 2023

## Stock-type circular ecosystem

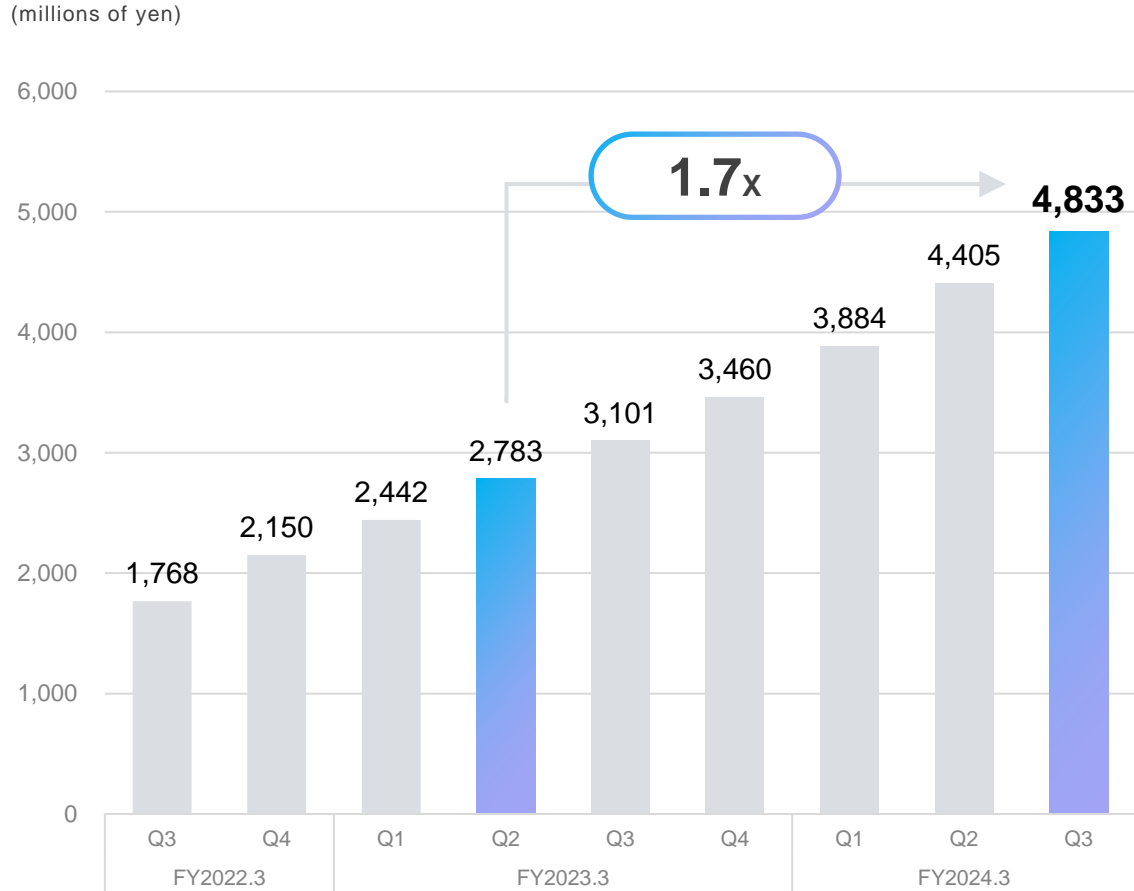
Our business model is based on expanding the DX Real Estate business zone, a circular ecosystem, by increasing the number of DX real estate members, which is stock data.



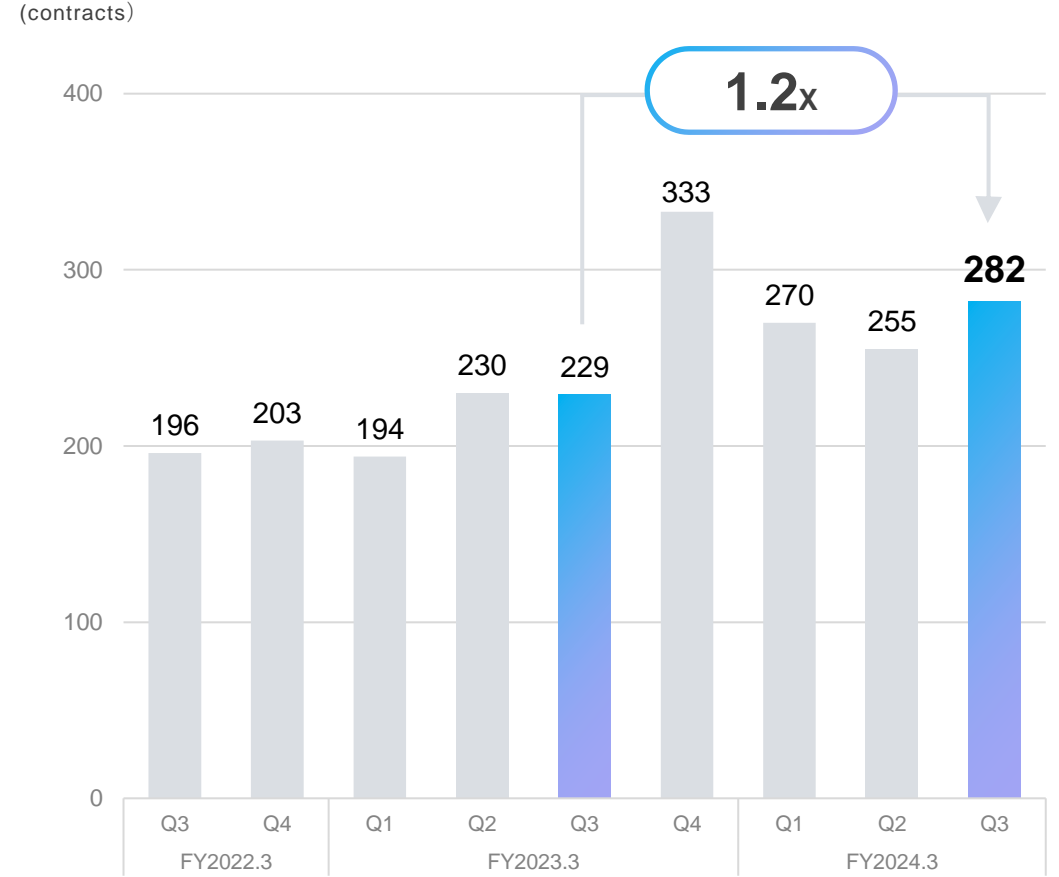
**Expand DX real estate business zone**



Trend of the accumulated amount of Rimple's fund formation



Trend of the number of sales contracts



\* The number of sales contracts is shown on a contract basis.

# Specialist in developing, selling, and managing compact condominiums with high asset value

Asset management type real estate CRACIA series



Residential real estate VERSE CRACIA



Know-how acquired since the company's founding creates value.

City center

×

Near station

=

High asset value

# Japan's first "all facial recognition condominium" that requires no keys

## All facial recognition condominium

Offers pleasant condominium life with highly secure facial recognition-based entry function

### Common space



#### Entrance

- Unlock entrance using facial recognition
- Automatically call elevator



#### Parking lot

Unlock door using facial recognition

### Facilities linked to common space



#### Parcel drop and mail box

If there is a parcel, indicates there is a parcel and automatic unlocks box using facial recognition



#### Elevator

- Safe unlocking with facial recognition
- Automatically indicates and residence floor

### Residents-only space

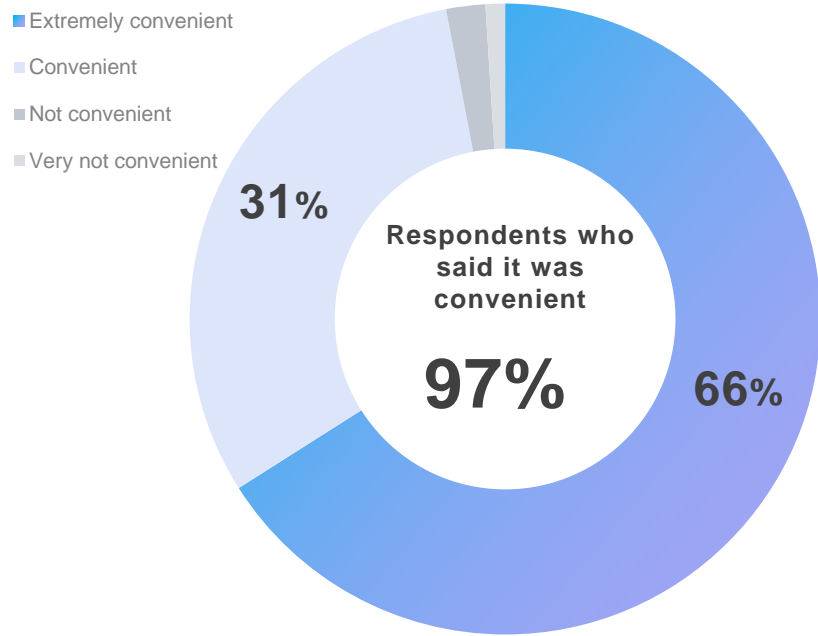


#### Unit door

Automatic unlock using facial recognition

# Improve customer satisfaction with all facial recognition condominium

Is the facial recognition system more convenient than conventional key?

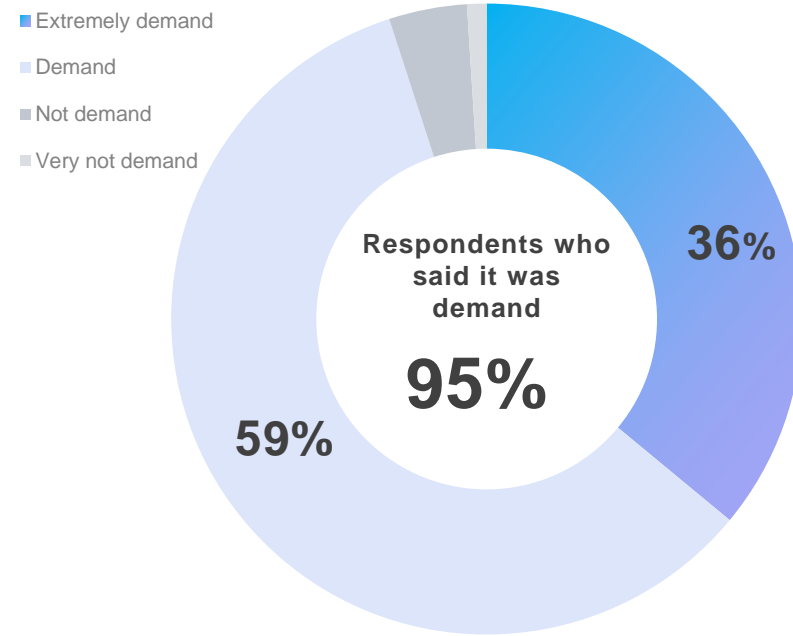


Really convenient when your hands are full.



Can open door when carrying something.

Do residents want facial recognition entry control in their next residence?

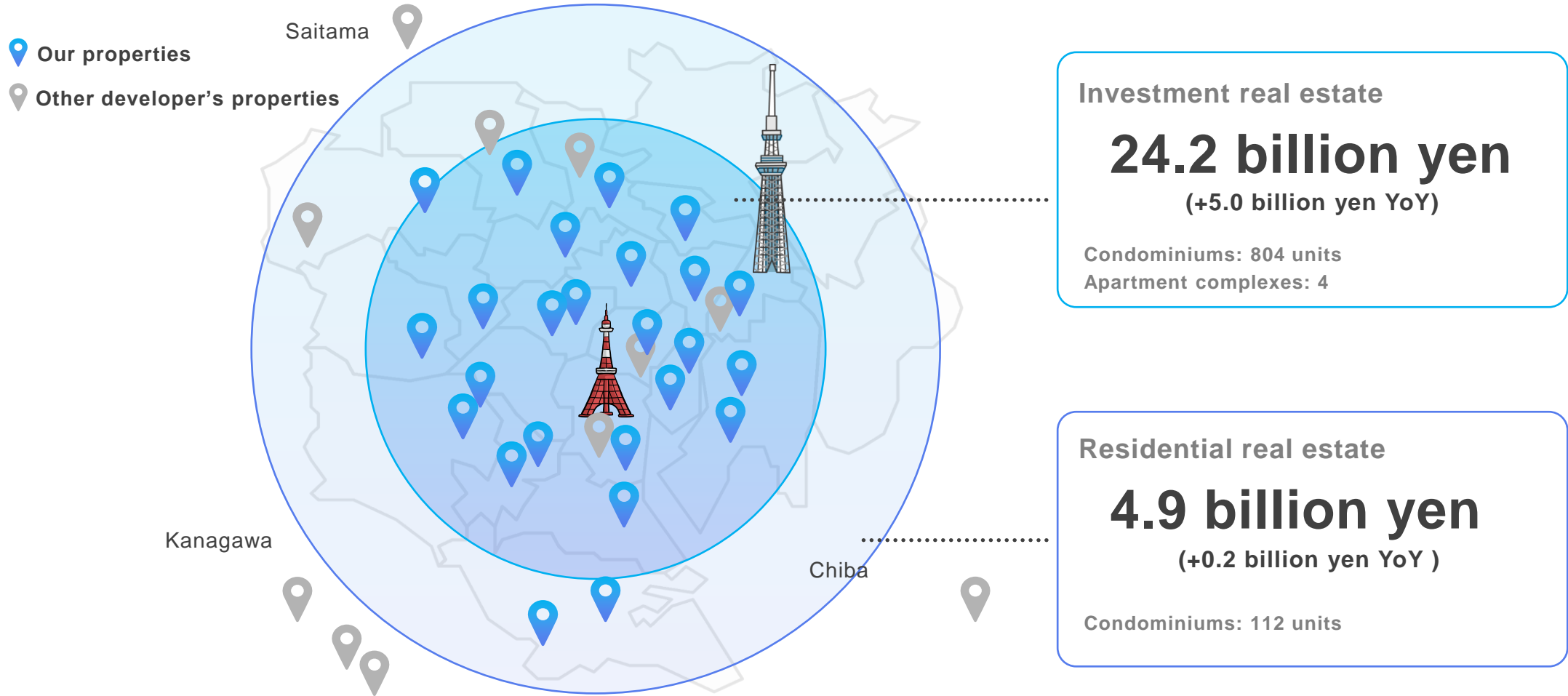


It is so convenient that I could not live in a residence without it.



I noticed that managing key is more troublesome than I thought it was.

# Focus on Tokyo's central area, 23 wards



\* As of December 31, 2023

## Market size

There is still room to expand the business as the size of the potential market is about 58 times that of previous fiscal year's net sales, and we are working to expand our share through the development, sale, and management of real estate properties with the goal of net sales of 100.0 billion yen.

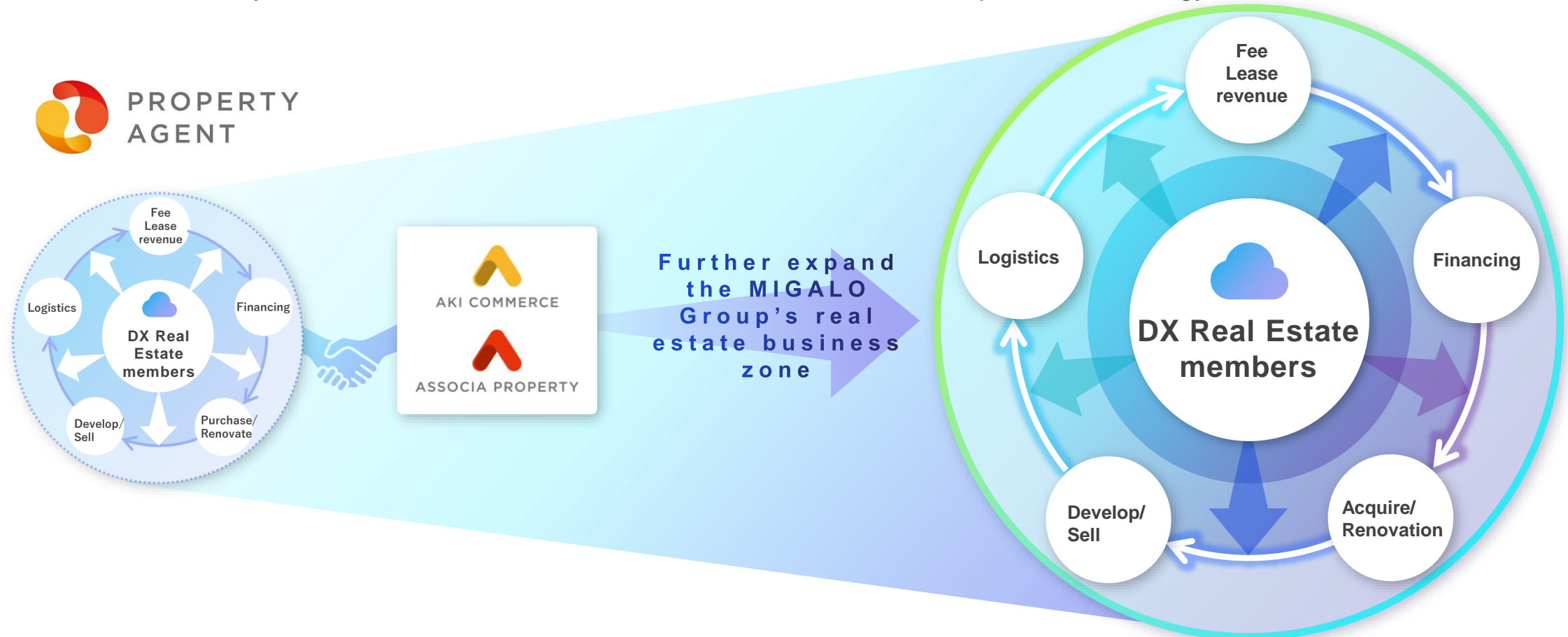


Source: NLI Research Institute, Real Estate Market Report Japan real estate market size (18 July 2023)/ Calculated from Statistics Bureau of the Ministry of Internal Affairs and Communications: Survey of Service Industry Trends, May 2022 (preliminary). Real Estate Economic Institute Co. Ltd. Metropolitan investment condominium market trends. / Tokyo Kantei, Market trends for new and used condominiums (metropolitan area)

## Acquired shares of AKI COMMERCE and ASSOCIA PROPERTY and bring them into the Group

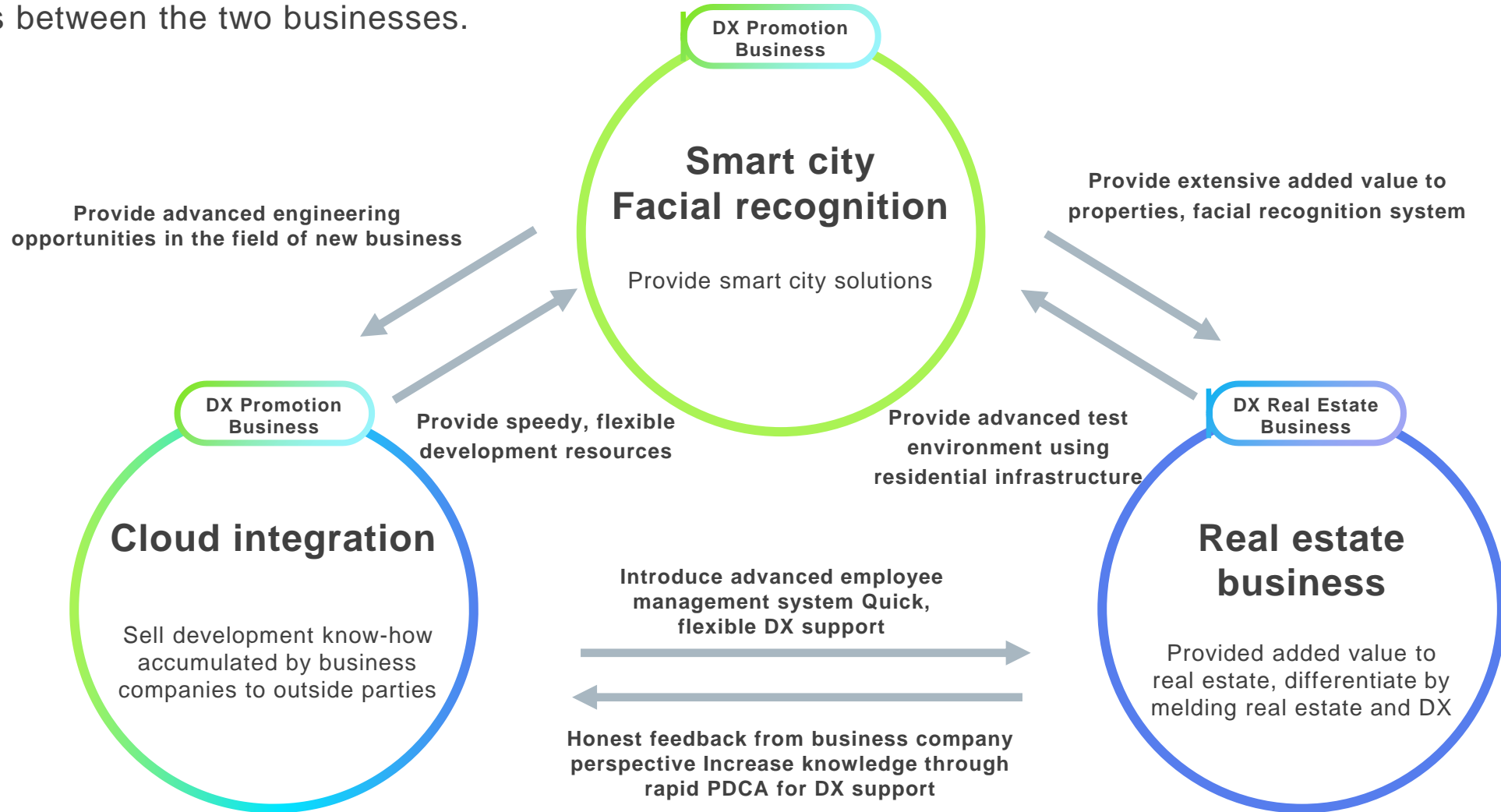
We transformed **AKI COMMERCE** and **ASSOCIA PROPERTY** into subsidiaries/sub-subsidiaries in order to achieve net sales of ¥100.0 billion for the DX Real Estate Business, our earnings pillar. The companies will contribute to an increase in the number of DX Real Estate members, which are used as stock data, and make it possible to acquire properties.

We will continue to actively undertake M&As and other deals based on our business plans and strategy.



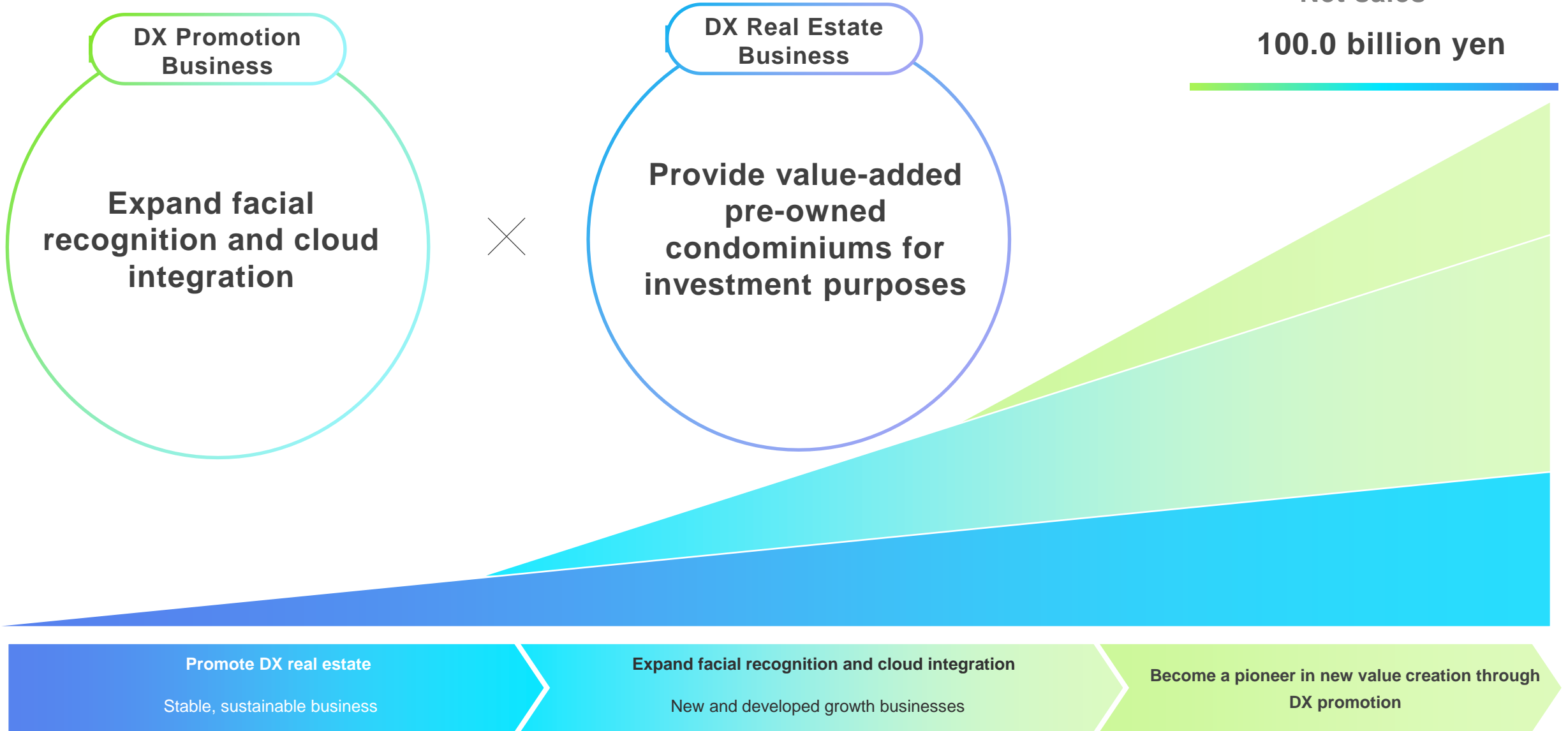
# Synergies between the group's businesses

DX promotion business and DX real estate business form a business structure that makes it possible to generate synergies between the two businesses.





# Medium- to long-term growth target



## 3. FY3/2024 Q3 Consolidated Results Summary

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## Results highlights

- Both net sales and operating profit continued to grow YoY, 25.6% and 7.8%, respectively, as a result of M&As and growth in new orders for the DX Promotion Business and greater DX Real Estate Business sales that meet the strong demand for real estate for investment.
- For the DX Promotion Business, more companies introduced our facial recognition platform and orders for cloud integration services were firm.
- There was steady growth in the number of DX Real Estate members, which increased 7,602.
- Recurring income rose as the number of units under management increased.

### Net sales

**32,512 million**

(YoY +25.6%)

### Operating profit

**2,443 million**

(YoY +7.8%)

### DX Real Estate members

**164,345 persons**

(YoY +7,602)

### Number of units of sales of real estate

**920 units**

(YoY +183)

### Units for rent under management

**4,621 units**

(YoY +669)

### Units for the buildings under management

**4,982 units**

(YoY +370)

### Number of active SI projects<sup>(1)</sup>

**241 projects**

(YoY +64)

\*As of December 2023

(1) "Number of active SI projects" refers to the number of active DX support projects in the DX Promotion Business.

## Consolidated income statement for FY3/2024 Q3

(Millions of yen)	FY2023.3/Q3	FY2024.3/Q3	YoY	YoY(%)
<b>Net sales</b>	25,884	<b>32,512</b>	+6,628	+25.6%
<b>Operating profit</b>	2,266	<b>2,443</b>	+176	+7.8%
<b>Ordinary profit</b>	2,032	<b>2,132</b>	+99	+4.9%
<b>Profit attributable to owners of parent</b>	1,295	<b>1,404</b>	+109	+8.5%

## Results by segment for FY3/2024 Q3

- In the DX Promotion Business, net sales rose because of an increase in new orders, but despite posting Q3 profit at OP, a cumulative operating loss through Q3 was recorded because of upfront investments.
- In the DX Real Estate Business, both net sales and operating profit rose on account of an increase in sales of pre-owned units despite a decline in new property deliveries due to the completion timing of construction.

Segment PL				
(Millions of yen)	FY2023.3/Q3	FY2024.3/Q3	YoY	YoY(%)
<b>Net sales</b>	25,884	<b>32,512</b>	+6,628	+25.6%
DX Promotion Business	1,207	<b>1,872</b>	+664	+55.0%
DX Real Estate Business	24,812	<b>30,702</b>	+5,890	+23.7%
Adjustments	-135	<b>-61</b>	+73	-
<b>Operating profit</b>	2,266	<b>2,443</b>	+176	+7.8%
DX Promotion Business	25	<b>-49</b>	-74	-
DX Real Estate Business	3,206	<b>3,351</b>	+144	+4.5%
Adjustments	-966	<b>-859</b>	+106	-

## BS highlights FY3/2024 Q3

- Inventories rose as a result of an increase in the inventory of properties for the next fiscal year, and cash and deposits rose for several reasons, including firm sales and collections.
- Despite a decline in net assets due to the payment of dividends, net assets remained at about around 10.0 billion yen due to an increase in quarterly net profit compared to previous fiscal year.

(Millions of yen)	FY2023.3	FY2024.3/Q3	Change	Change(%)
<b>Total assets</b>	43,441	<b>45,270</b>	+1,829	+4.2%
<b>Cash and deposits</b>	6,819	<b>8,058</b>	+1,239	+18.2%
<b>Inventories</b>	33,828	<b>34,586</b>	+758	+2.2%
<b>Interest-bearing liabilities</b>	28,805	<b>29,227</b>	+422	+1.5%
<b>Net assets</b>	9,572	<b>10,719</b>	+1,147	+12.0%

# DX Promotion Business

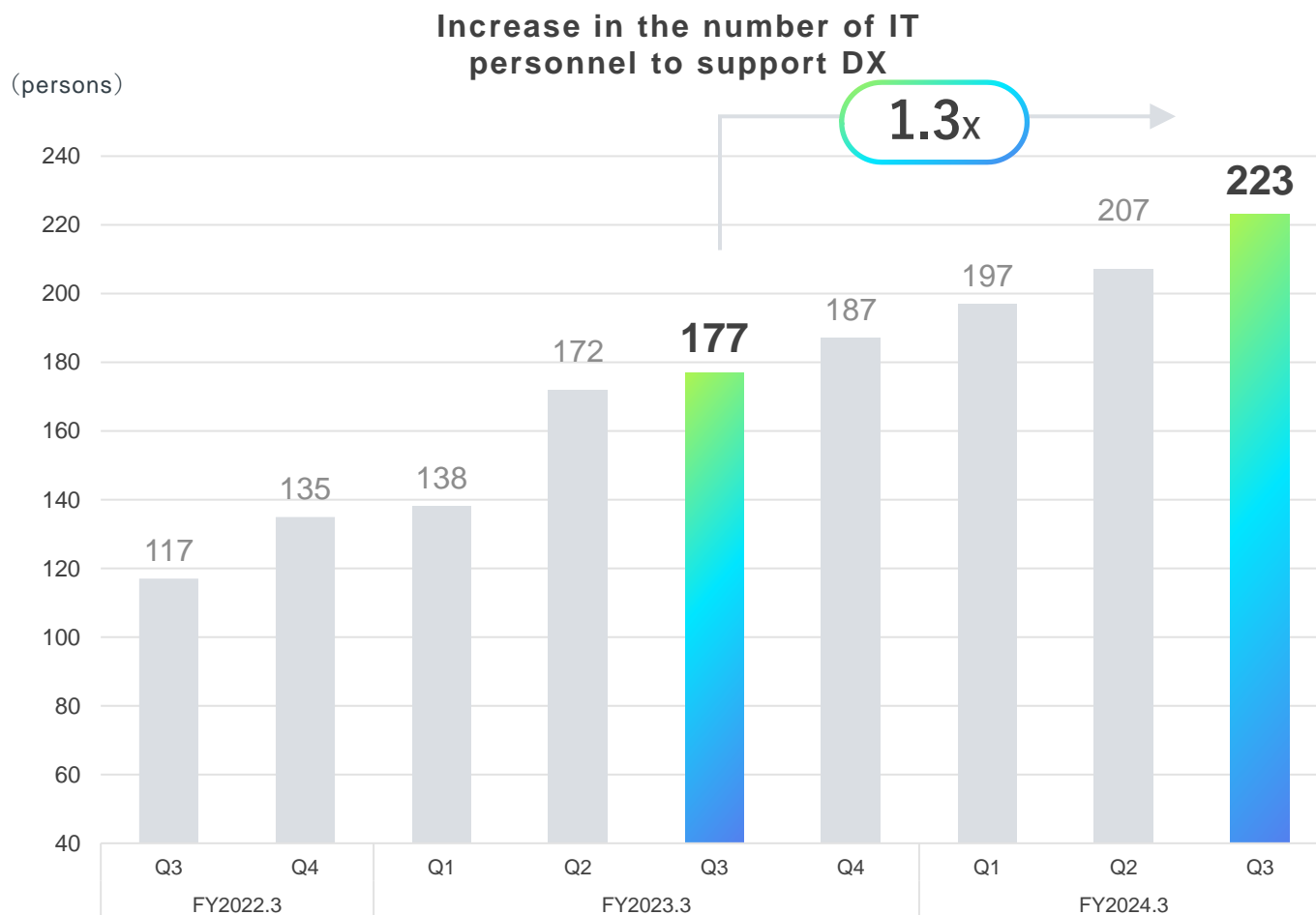
- Net sales rose 55.0% YoY because of an increase in standard-type introduction of the facial recognition platform FreeiD into condominiums and increase in DX support (system integration) orders.
- Despite posting operating profit for Q3, a cumulative operating loss through 3Q was recorded as a result of aggressive hiring in 1H and continued upfront investments.

DX Promotion Business Segment Total				
(Millions of yen)	FY2023.3/Q3	FY2024.3/Q3	YoY	YoY(%)
Net sales	1,207	<b>1,872</b>	+664	+55.0%
Segment profit	25	<b>-49</b>	-74	-

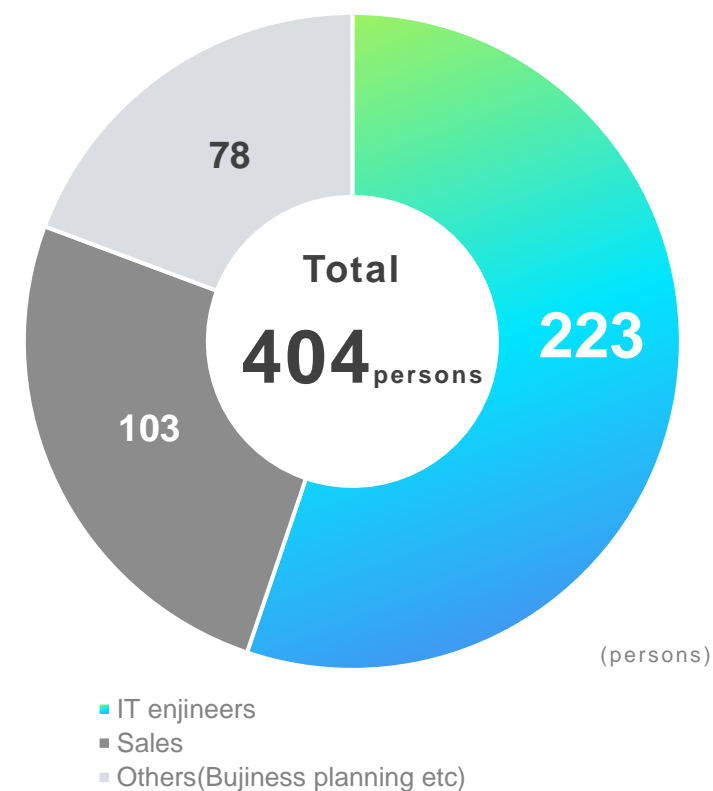


## Composition of tech personnel

- The number of IT personnel promoting the Group’s DX, such as engineers, reached 223, and thus account for more than half of the Group’s employees.
- The increase in IT personnel is the driving force of the growth in the Group’s DX business, and our strengths to sustain IT development capabilities.



**Group-wide job composition**

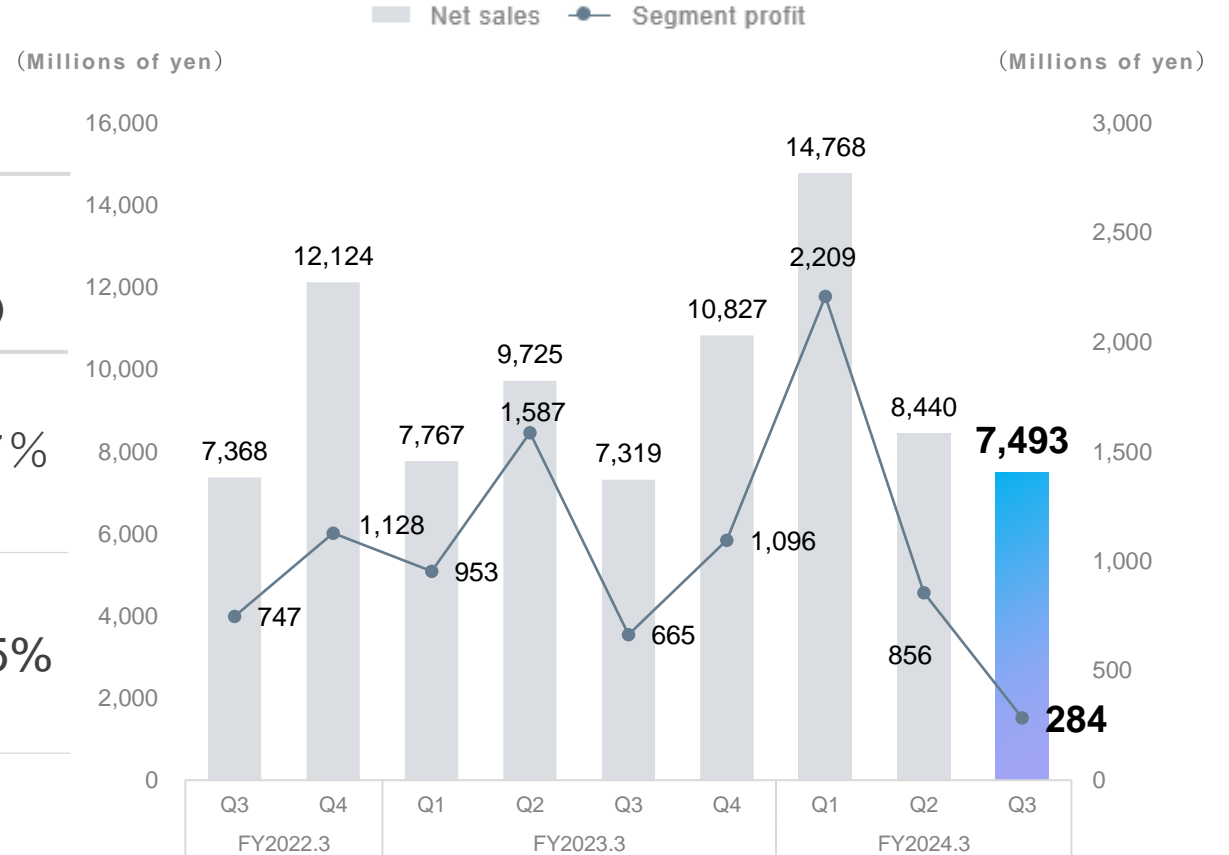




# DX Real Estate Business

- Net sales rose 23.7% YoY as a result of the concentrated delivery of new units in Q1 and continuing firm sales of pre-owned units.
- Operating profit rose 4.5% YoY despite an increase in the cost of sales and increase in the share of sales accounted for by pre-owned units, which offer a low profit margin.

Quarterly Net Sales and Segment Profit

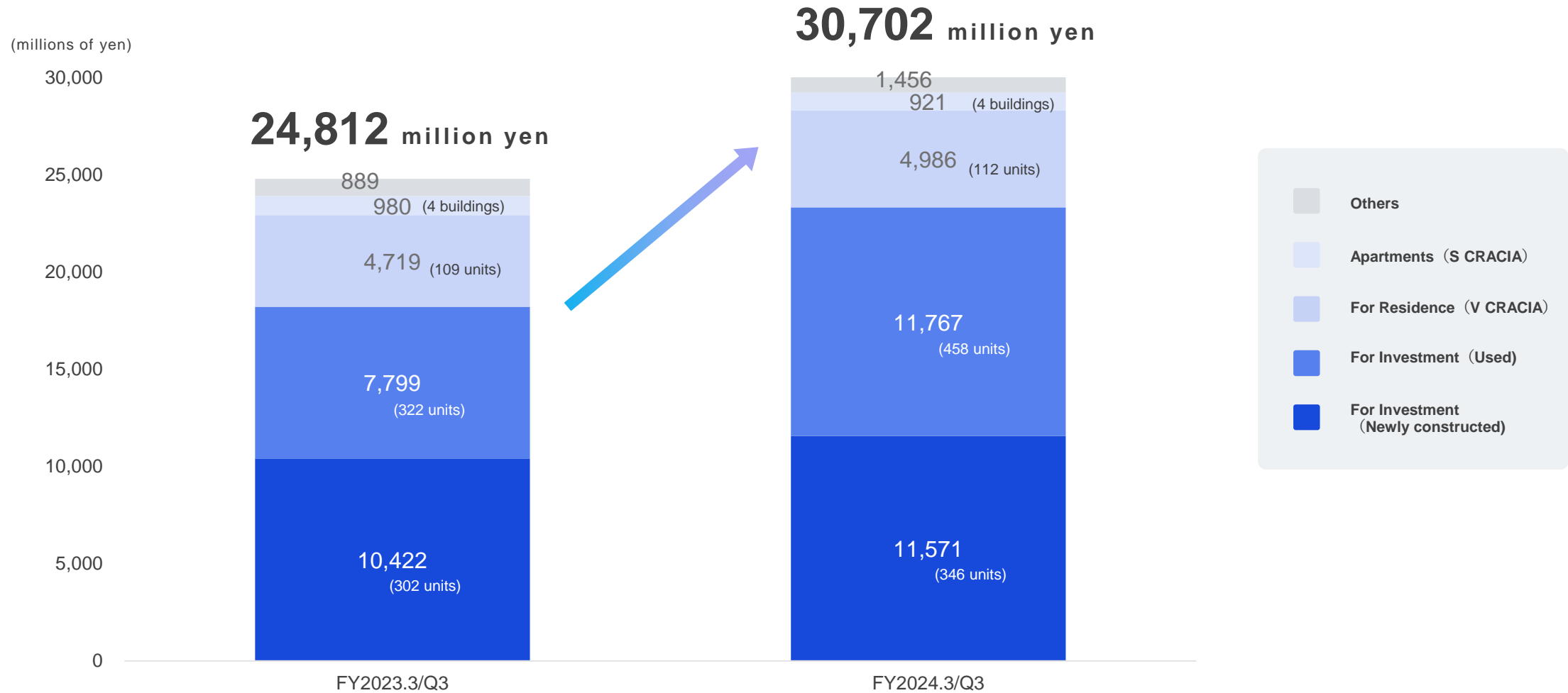


## DX Real Estate Business Segment Total

(Millions of yen)	FY2023.3/Q3	FY2024.3/Q3	YoY	YoY(%)
<b>Net sales</b>	24,812	<b>30,702</b>	+5,890	+23.7%
<b>Segment profit</b>	3,206	<b>3,351</b>	+144	+4.5%

# Breakdown of segment sales

Breakdown of net sales and the number of units sold of Real Estate Development and Sale Business and Smart Second Business, etc.



## 4. FY3/2024 Annual Forecast

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## Progress toward earnings forecasts for FY2024/3

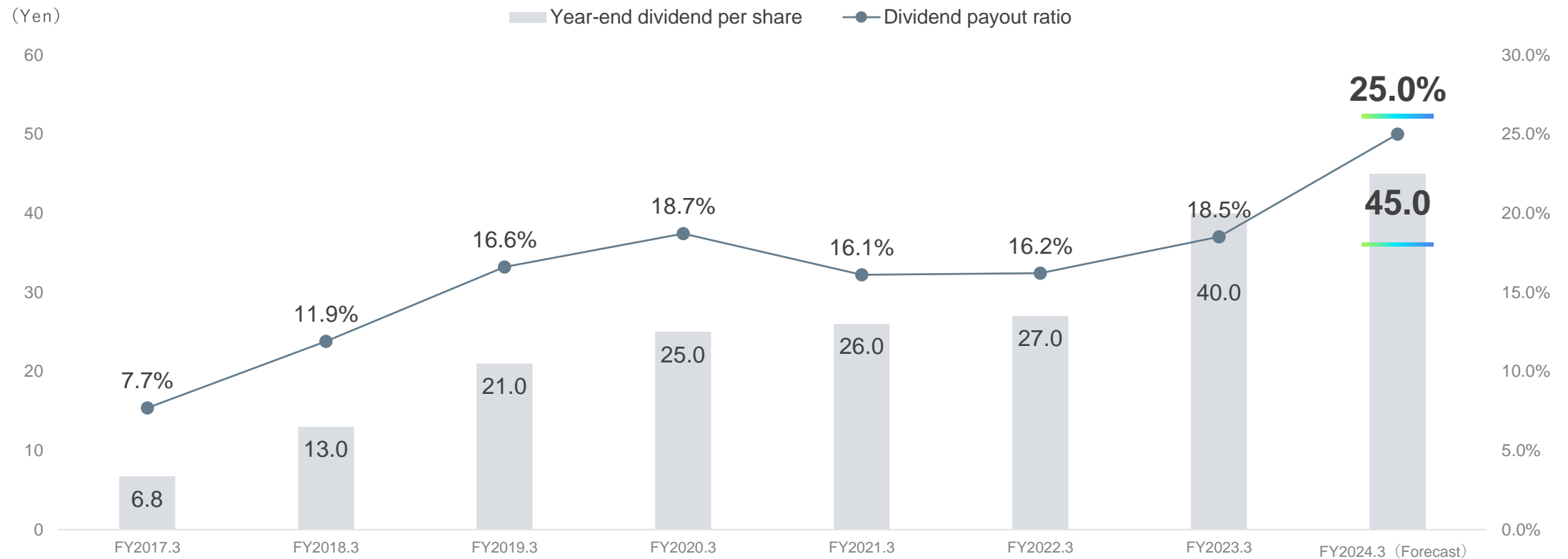
- Through 3Q, steady progress was made toward our forecast of ¥42.0 billion in net sales for the full fiscal year as we reached 75% of the forecast.
- We also made quicker-than-expected progress toward our forecast of profit at all levels because of the delivery of highly profitable new units during 1H.
- Forecasts were unchanged because in Q4, we will primarily deliver pre-owned units that offer a relatively low profit margin, and have planned for upfront investments and M&As for the DX Promotion Business, our growth driver.

(Millions of yen)	Forecast of consolidated financial results for the year ending March 31, 2024	FY2024.3/Q3	Change%
<b>Net Sales</b>	<b>42,000</b>	32,512	77.4%
<b>Operating profit</b>	<b>2,500</b>	2,443	97.7%
<b>Ordinary profit</b>	<b>2,120</b>	2,132	100.6%
<b>Profit attributable to owners of parent</b>	<b>1,310</b>	1,404	107.2%

# Shareholder return

- As for the FY2024/3 year-end dividend, we plan to increase the annual dividend to ¥45.0 per share, which includes a commemorative dividend of ¥5 per share for the 20-year anniversary of the company's founding.
- We also plan to flexibly undertake share buybacks taking into comprehensive consideration such factors as our financial position, earnings, and share price.

Trend of year-end dividend and dividend payout ratio



## 5. FY3/2024 Q3 Topics

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# Sports event DX in collaboration with regional government

Summary of release

## Conducted joint verification test of facial recognition-based entry to the skybox of Sanga Stadium by Kyocera located in Kameoka City Kyoto

In collaboration with Kameoka City, Kyoto Prefecture (Mayor: Takahiro Katsuragawa), we undertook the Kyoto Sanga F.C. Skybox Facial Entry verification test during the Meiji Yasuda Life Insurance J1 League game held at Sanga Stadium by Kyocera on October 28, 2023. This was done to verify the effectiveness of facial recognition-based reception for hospitality services provided to VIPs and fan club members.



Record facial information

Facial recognition-based entry

Visit Notification

Skybox Facial Entry

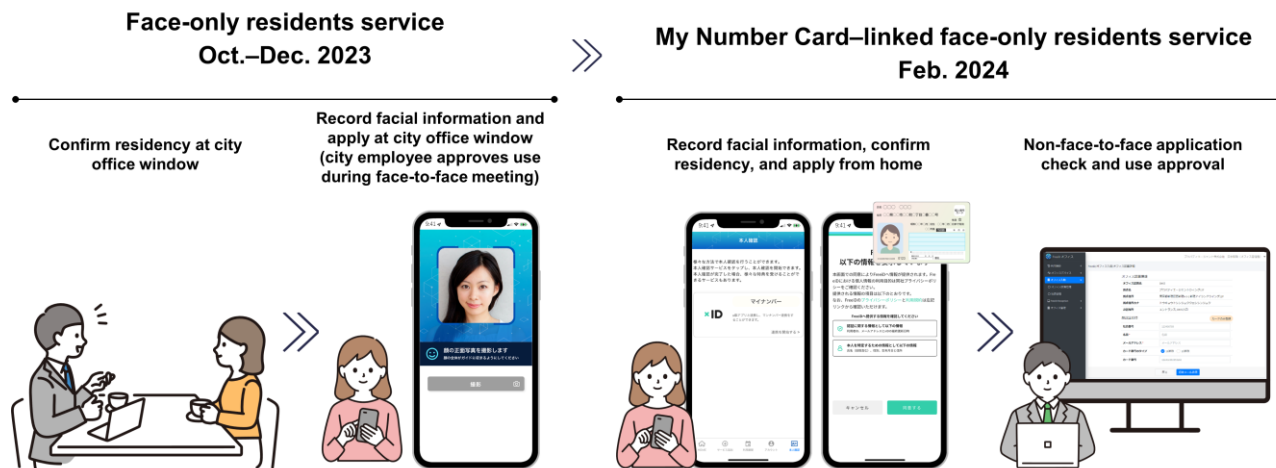


We will carefully examine measures such as facial recognition-based entry, payment, point service in order to achieve “face-only entertainment” through DXYZ and Kameoka City.

Summary of release

## Linking FreeiD and xID—Launched verification test of the facial recognition reception service “My Number Card–linked Face-Only Residents Service” in Kameoka City

We linked FreeiD to xID K.K.’s xID (cross ID). By doing so, we aim to increase the convenience for residents and raise the work efficiency of local government employees by developing a facial recognition system tied to the My Number Card, an ID document. In partnership with Kameoka City, Kyoto, DXYZ and xID launched the facial recognition reception service “My Number Card–linked Face-Only Residents Service,” at child care–related facilities in Kameoka City on February 1.



- **Verification period**  
February 1–28, 2024 (planned)
- **Venue services are available**
  - KIRInoKO at Sanga Stadium by Kyocera
  - Kamemaru Land, a children’s play facility in Gallery Kameoka



# Payment DX in collaboration with regional government

## Summary of release

### “Face-only shopping” that employs the facial recognition platform FreeiD—Launched verification test of facial recognition payments at Sanga Stadium by Kyocera

On February 1, a “face-only shopping” facial recognition–based payment verification test using the facial recognition platform FreeiD, which was developed and is provided by DXYZ, was launched at Football Diner in Sanga Stadium by KYOCERA in collaboration with Kameoka City, Kyoto. The goal is to increase user convenience and ease and further improve customer draw and appeal through the use of “face-only” reception and payments at various facilities.



#### Download FreeiD app



#### Register face and card in FreeiD app

Record photo of face and credit card information when registering



#### Staff enters amount

Enter amount in facial-recognition payment terminal that operates separately from POS register



#### Face-only shopping

Receive notification on FreeiD app after payment



#### Verification period

February 1–28, 2024 (planned)

#### Where

Four Football Diner locations in Sanga Stadium by KYOCERA: Musibiya, Shokupando, Café de MOTHERS Stadium Store, Tsururi

Summary of release

## First time FreeiD introduced into logistics facility—Mitsubishi Estate’s large multi-tenant logistics facility Logicross Zama

The facial recognition platform FreeiD was introduced into large multi-tenant logistics facility Logicross Zama developed by Mitsubishi Estate. This is the first time that FreeiD has been introduced into a logistics facilities in Japan.



### Mitsubishi Estate x DXYZ FreeiD

01



#### Joint development of Machi Pass FACE

Facial recognition-based check-in service Machi Pass FACE introduced into Mitsubishi Estate’s TOKIWA BRIDGE for commercial purposes

02



#### Linking to HOMETACT

FreeiD linked to Mitsubishi Estate’s general smart home service HOMETACT

03



#### Introduced at apartment complex

FreeiD was introduced into apartment complex The Parkhabio Shinei

**NEW!!**



#### Introduced at logistics facility

FreeiD introduced into Logicross Azama, large multi-tenant logistics facilities

Summary of  
release




## Facial recognition platform FreeiD introduced in to the new Okumura Corporation office Cross Innovation Center

The facial recognition platform FreeiD was introduced into new Cross Innovation Center office, which Okumura Corporation opened on the 22nd floor of JP Tower (located in Chiyoda-ku, Tokyo).

This is the first time that facial recognition-based entry management has been introduced into an Okumura Corporation office.



### Reason for selecting FreeiD

-  Easy to introduce because of simple procedures for recording facial data and setting security zones
-  Eliminates stress of waiting for doors to unlock during recognition process
-  Easy to control visitors' and tenants' access to rooms via the management screen

Summary of release

Linked to HASEKO Corporation's condominium life information platform LIM Cloud

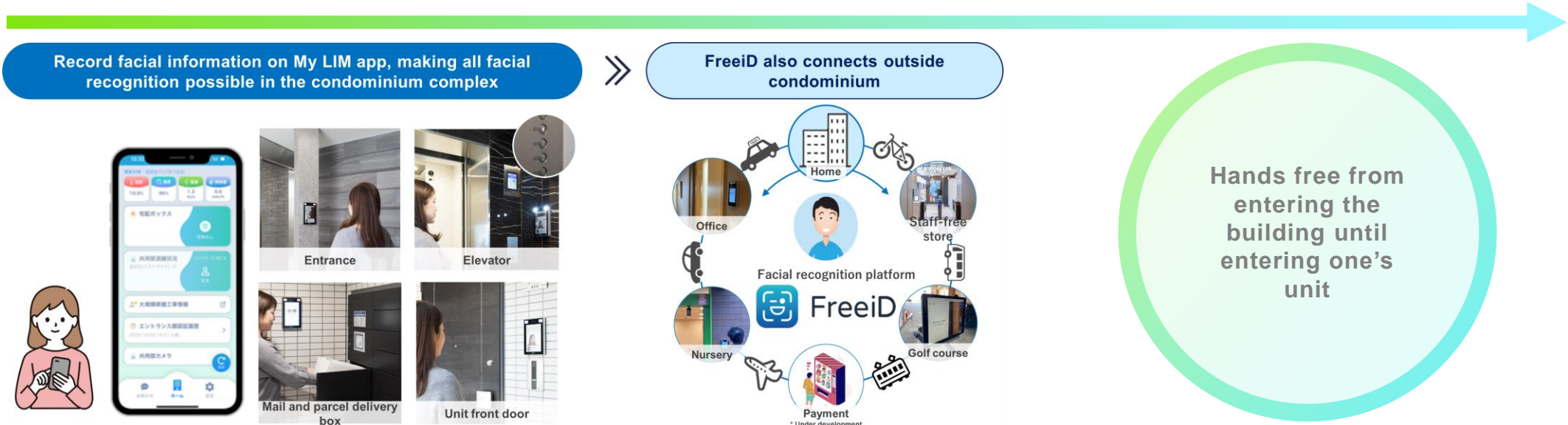


長谷工 コーポレーション



We launched a verification test of “all facial recognition condominiums” at HASEKO Real Estate Development Inc.’s concept apartment complex WORVE Naha Izumizaki (construction expected to be completed in July 2024). This is the first time the platform was linked to the condominium life information platform LIM Cloud provided by HASEKO Corporation, and the first all facial recognition condominium for a HASEKO Real Estate Development property.

Greater convenience at “all facial recognition condominiums”



Summary of  
release

**Yasuda Real Estate decides to introduce the facial recognition platform FreeiD, creating Yasuda Real Estate's first all facial recognition property**

Yasuda Real Estate has decided to introduce DXYZ's facial recognition platform FreeiD into the small office and apartment building Minato-ku Mita San-chome Plan (tentative name) that it is developing. This is the first time FreeiD will be introduced into a property developed by Yasuda Real Estate.

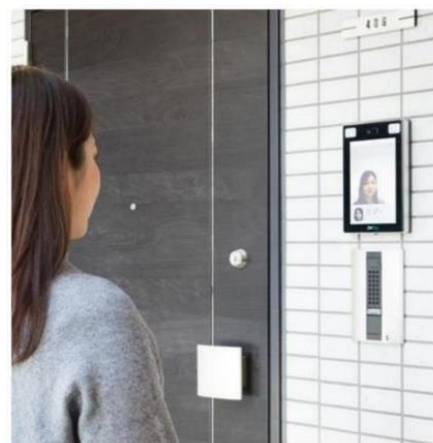
 **安田不動産株式会社**



**DXYZ**



Envisioned use (entrance)



Envisioned use (residents-only space)

● Life possible by FreeiD

The introduction of FreeiD will free residents and small office tenants from the need to carry keys and make it possible for them to pass through all security points using facial recognition.



**Increases convenience and offers tenants a more pleasant daily life**

Summary of release

FreeiD to be introduced into apartment complex Sakura Hills Hakatakita being developed by RAITO KOGYO CO., LTD., making it the first all facial recognition apartment complex in Kyushu



FreeiD will be introduced into the apartment complex Sakura Hills Hakatakita being developed by Raito Kogyo. The introduction of FreeiD in both common spaces and residents-only space will result in the first “all facial recognition condominium” in Kyushu that offers a fully key-free life.



\* Migalo Holdings research: Examination of 324 articles run in PR times since December 2010 found based on search term “facial recognition condominium.”

### DXYZ FreeiD evaluation points



Simple management of various operations, including recording facial images



Offers both security and convenience



Quick recognition that makes it possible to pass through without having to stop during recognition process

# Regional revitalization activities

Summary of release

## Paying part of local taxes to Kochi Prefecture and contributing to local revitalization

The Group company Property Agent pays some of its local taxes to Kochi Prefecture through the corporate version of the Furusato Nozei tax diversion system, and the company received a letter of thanks from the prefecture. The Group Representative Sei Nakanishi has contributed to the revitalization of Kochi Prefecture by launching KOCHI INNOVATION BASE (KOIB) in 2022.



### Professional entrepreneur fostering entrepreneurs who are the future

Professional entrepreneur supporting people in Kochi Prefecture with an entrepreneur spirit  
Platform for creating entrepreneurs who are the future of Kochi Prefecture



# Response to growth in EV demand

Summary of release

## EV charging service for condominiums Expand “Terra Charge”

EV charging service “Terra Charge” installed in nine condominiums in parking lots developed by Property Agent.

The charging stations are Terra Charge, an EV charging service provided by Terra Motors. With an eye on future growth in demand for EV, we have standardized specification of our wire and duct installation and will tackle this issue and move forward with installing EV charging services to realize a carbon neutral society by 2050.



CRACIA Akiahabara EAST parking lot



### SUSTAINABLE DEVELOPMENT GOALS





## Disclaimer regarding forward-looking statements

Materials and information provided included in this presentation may contain so-called “forward-looking statements.” These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties that could cause actual outcomes and results to differ materially from these statements.

Risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange fluctuations.

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