

2Q

Securities
Code

3300



A M B I T I O N

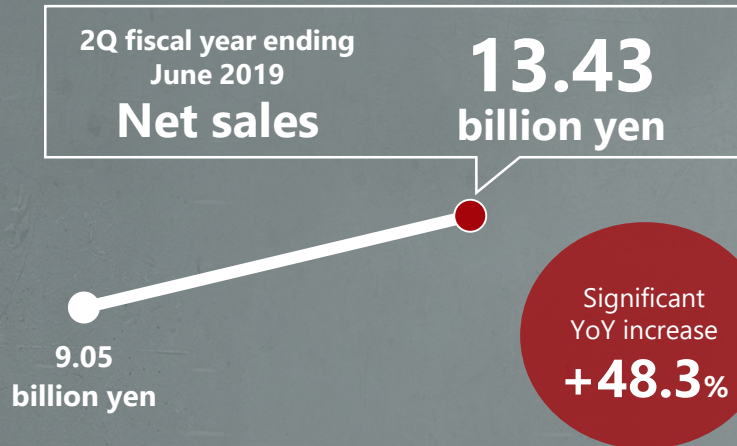
**Supplementary
Financial Materials**
2Q Fiscal Year Ending June 2019
February 14, 2019

2019



Ambition seeks to develop the “future of housing.”

As a real estate community developer that provides comfortable spaces on a stable basis mainly in the Tokyo metropolitan area, Ambition aims for the early realization of social infrastructure with ease of living.

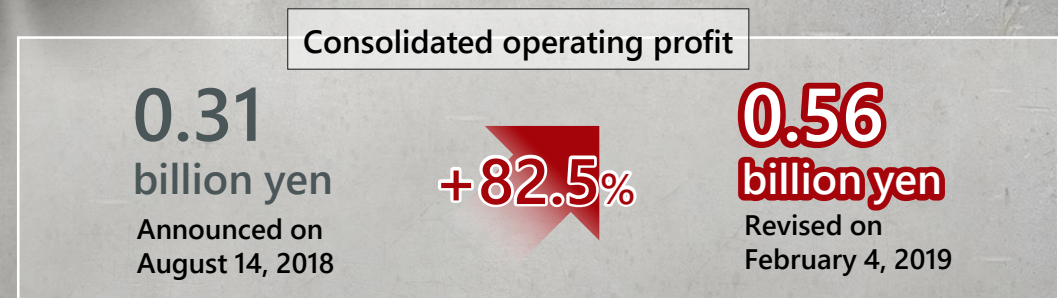
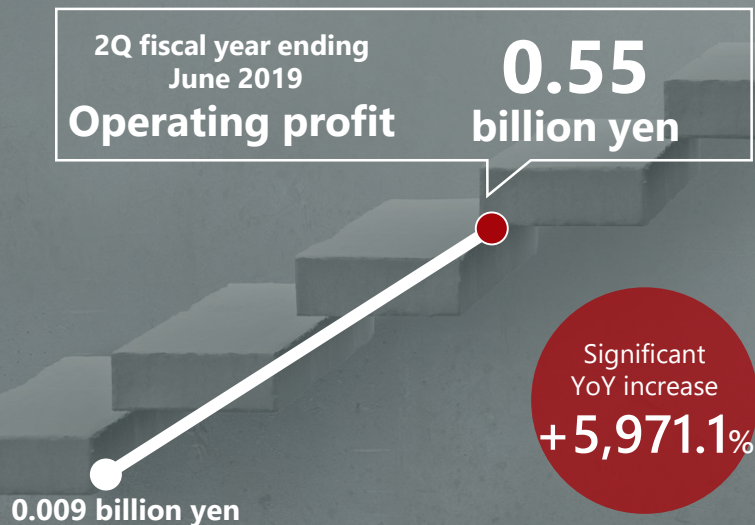


Revision to consolidated forecasts

(First two quarters of fiscal year ending June 2019)



Highest-ever increase in profit for the first half since its establishment of the company





Topics

Number of sublease management units increased by 8.6% year-on-year to 9,776 units

Within Ambition's property management business which is at the company's core, the number of managed units and the move-in ratio are considered to be important indices. The number of managed units in sub-leased properties centering in Tokyo and its surrounding areas saw a year-on-year increased of 744 units.

Number of sublease management units in 2Q fiscal year ending June 2019:

9,776
units

9,002
units

Significant
YoY increase
+8.6%

Revision to Consolidated Forecasts (Full Year)

Consolidated forecasts for the fiscal year ending June 2019 (July 1, 2018 to June 30, 2019) announced on August 14, 2018, were revised on February 14, 2019.

(million yen)			
	Fiscal year ended June 2018 (actual)	Fiscal year ending June 2019 (forecast)	YoY comparison
	Amount	Amount	YoY change YoY comparison (increase/decrease rate)
Net sales	23,278	29,268	5,990 +25.7%
Operating profit	1,141	1,536	395 +34.6%
Ordinary profit	1,017	1,346	329 +32.3%
Profit attributable to owners of parent	611	846	235 +38.4%
Profit per share	90.27 yen	124.42 yen	34.15 yen +37.8%

01 Financial Summary

P. 7

02 Growth Strategy

P. 18

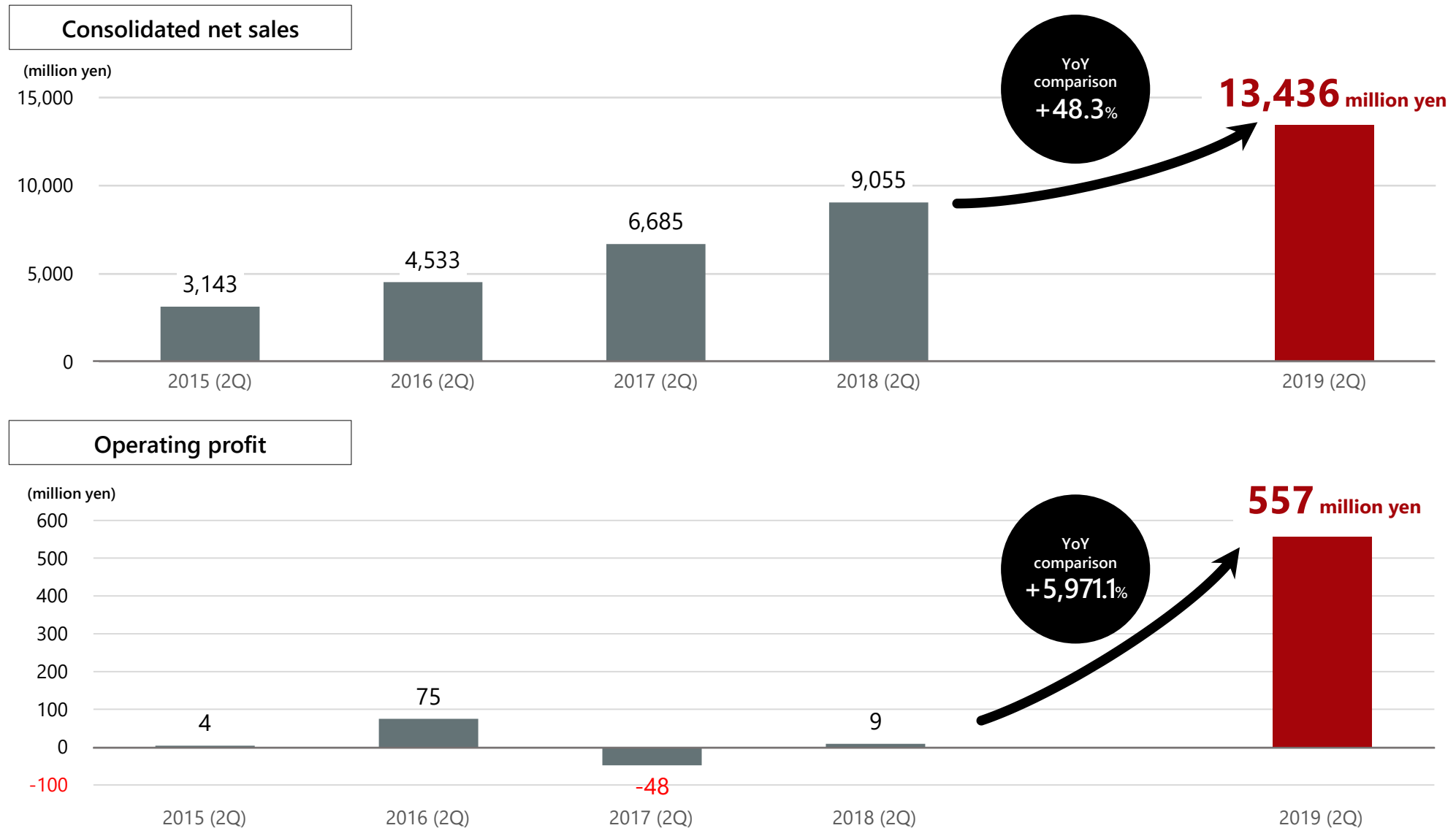
03 Profile

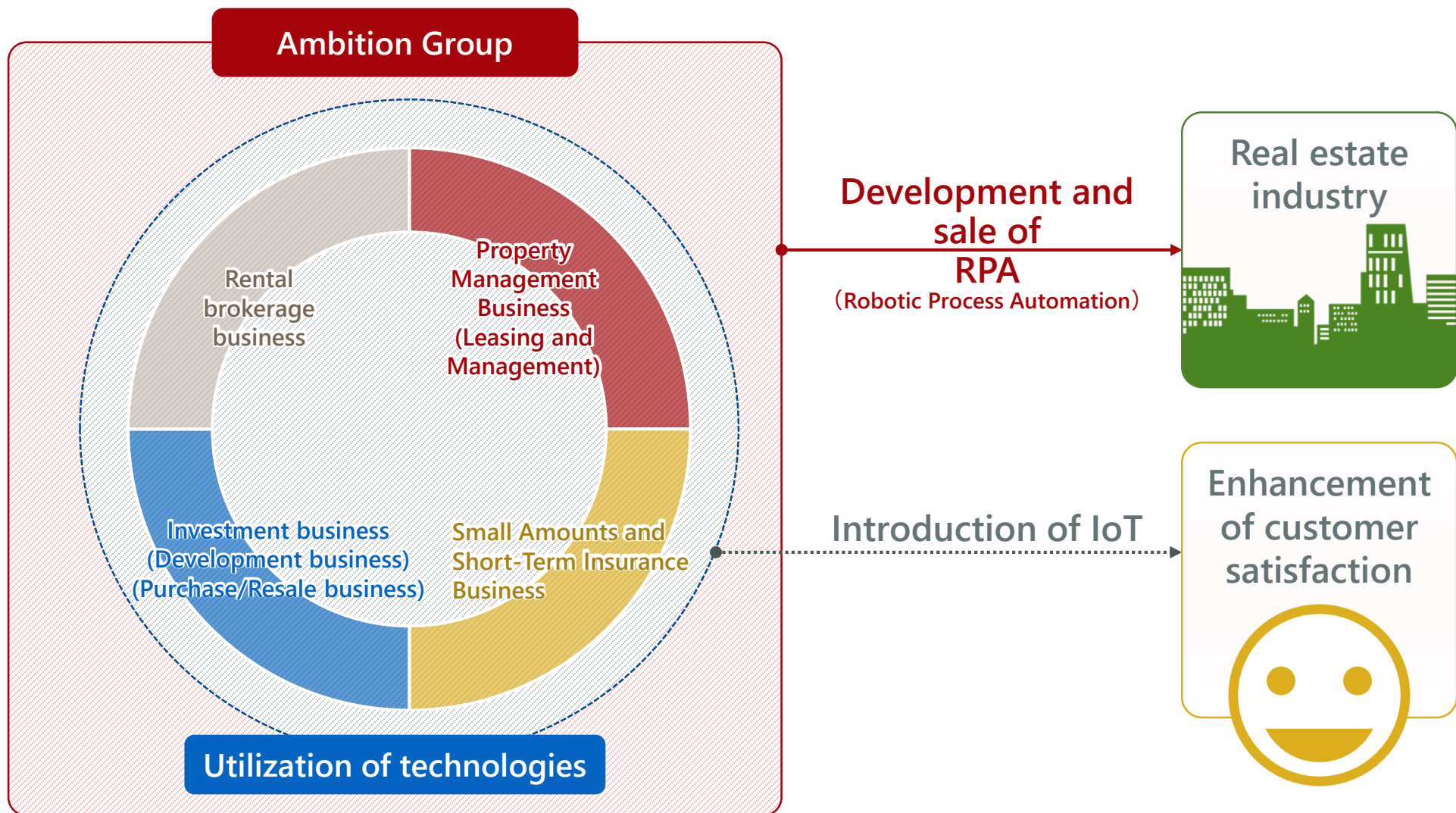
P. 23

01

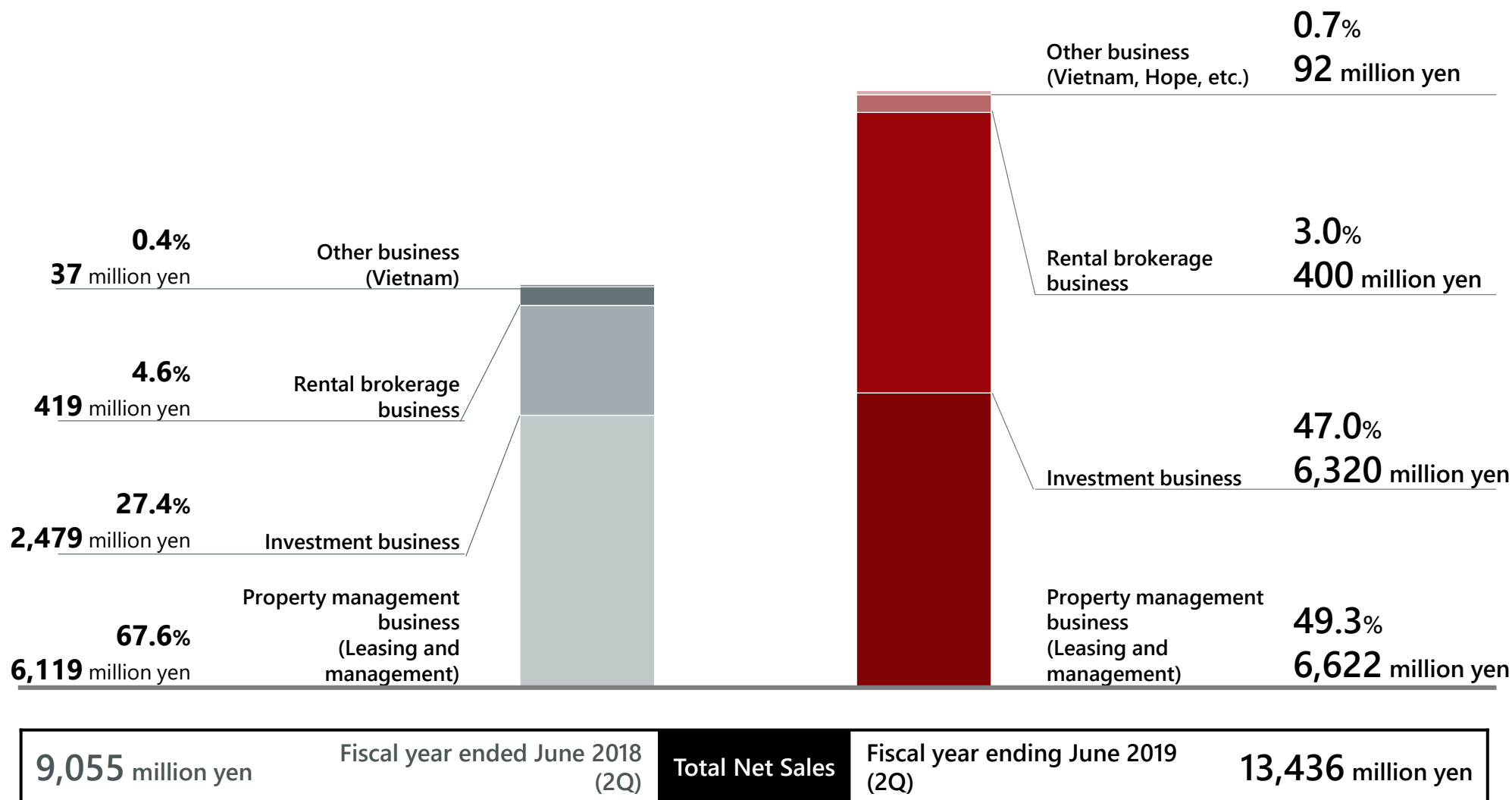
Financial Summary

Sales Expansion and Operating Profit Increase over Past Five Years (Comparison with Previous 2Qs)



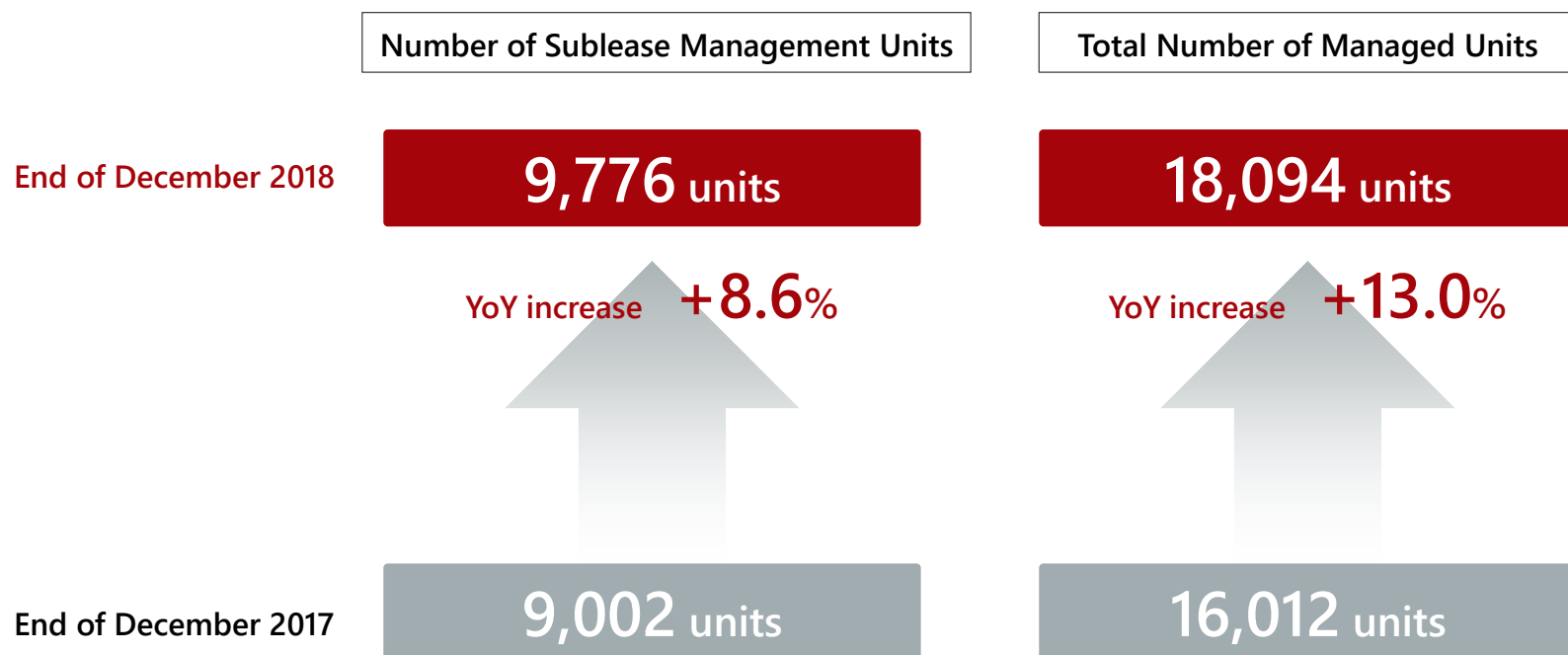


Ratio of Net Sales (Comparison with Previous 2Q)



Stable increase of managed units contributing to sales and profit

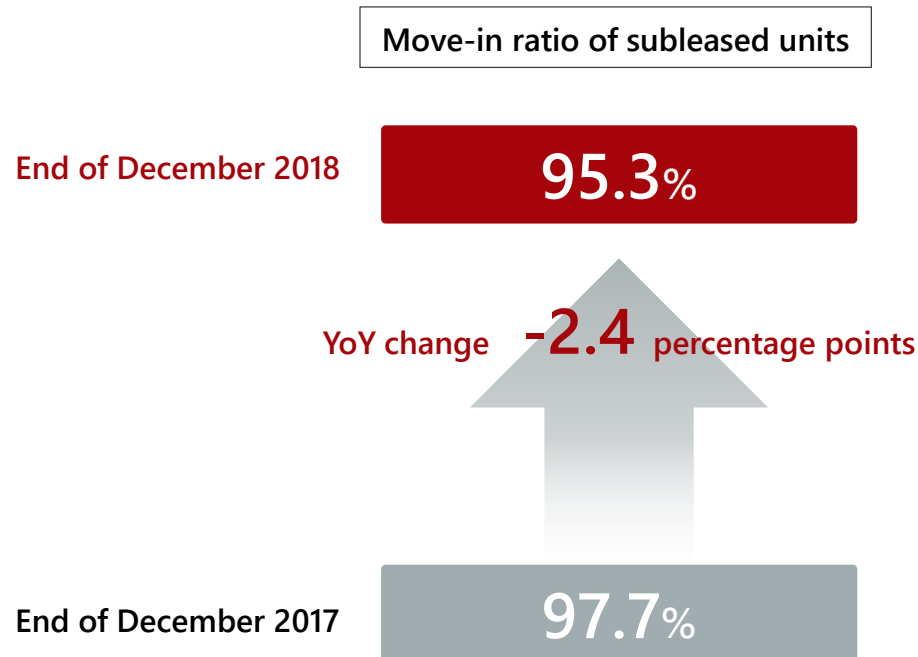
The number of sublease management units, which was 9,002 units as of the end of December 2017, grew to **9,776 units**, an increase by **8.6%** year-on-year, as of the end of December 2018. We will continue to grow actively in the future while assessing the proper value of properties.



Mostly located in Tokyo, Kanagawa, Chiba and Saitama Prefectures.

Maintaining a high move-in ratio by enhancing the management structure

Move-in ratio of subleased units was at **95.3%** as of December 2018, down **2.4 percentage points** from 97.7% for the same period of the previous fiscal year. This is attributable to a number of acquisitions of properties that were available for move-ins during the peak season (January to March every year).



Contribution of Lease Brokerage



Naka-Meguro ROOMPIA store/
WEB Division/Corporate Division



Shibuya ROOMPIA store



Ueno ROOMPIA store



Kamiooka VALOR store



Waseda ROOMPIA store



Sagami-Ono ROOMPIA store

Supported by 20
directly-operated
brokerage stores



Tsurumi VALOR store



Akihabara ROOMPIA store



Ikebukuro ROOMPIA store



Hiyoshi VALOR



Takadanobaba ROOMPIA store



Kinshicho ROOMPIA store



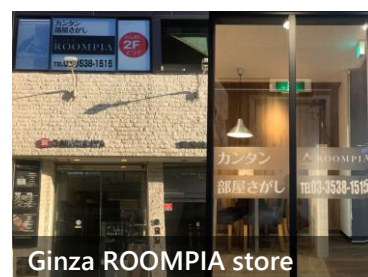
Futamatagawa VALOR store



Yokohama ROOMPIA store



Motoyawata ROOMPIA store



Ginza ROOMPIA store



Higashi-Omiya ROOMPIA store



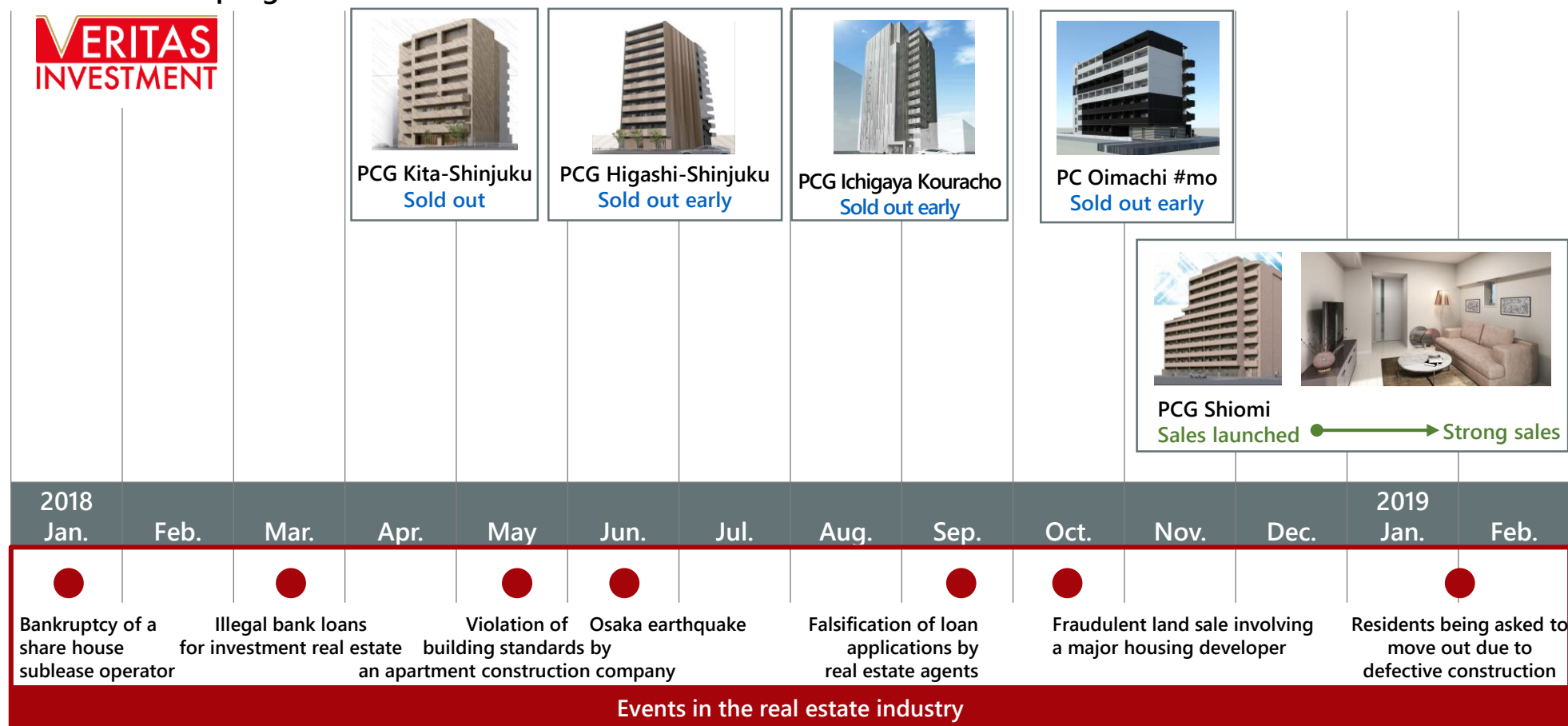
Shinjuku ROOMPIA store



Yokohama VALOR store

Favorable Condominium Sales by Veritas

The favorable sales of new designer condominiums for investment, situated mainly in the Tokyo Premium Area (Meguro, Shibuya, Shinjuku, Minato, Shinagawa and Chuo wards) and supervised by a famous designer, have contributed to progress in the investment business.



Consolidated P/L (Comparison with Previous 2Q)

- Sales continued to grow and increased by **48.3%** year-on-year.
- Continued growth of property management business and contribution of Veritas Investment had major roles in increasing profits.

Consolidated P/L Summary

(million yen)

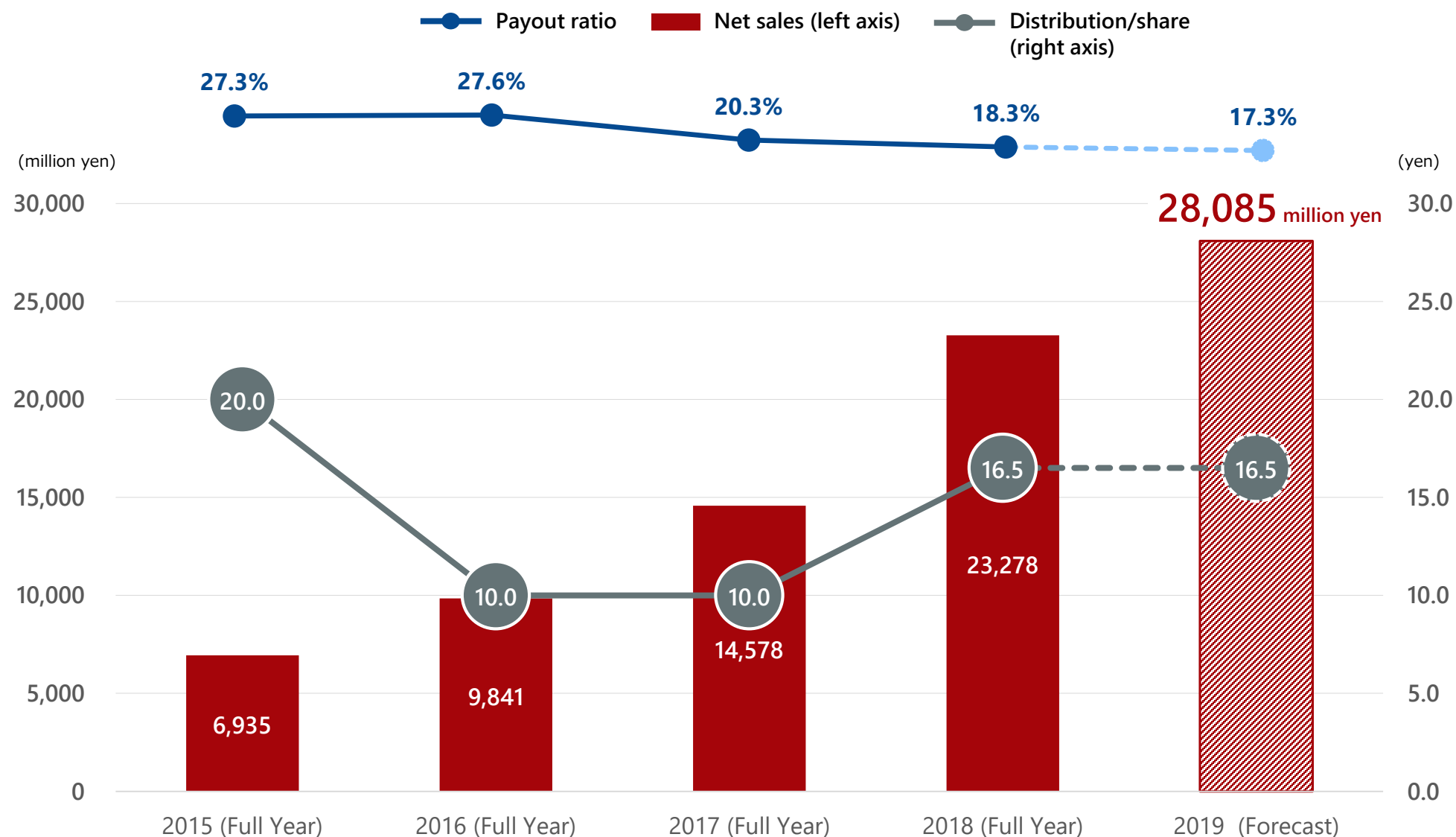
	2Q fiscal year ended June 2018	2Q fiscal year ending June 2019	YoY comparison	
	Amount	Amount	YoY change	YoY comparison
Net sales	9,055	13,436	4,380	+48.3%
Profit on sales	1,481	2,671	1,190	+80.9%
Selling, general and administrative expenses	1,472	2,113	641	+43.6%
Operating profit	9	557	548	+5,971.1%
Ordinary profit	-35	483	519	—
Profit attributable to owners of parent	-48	262	310	—

Consolidated B/S Summary

(million yen)

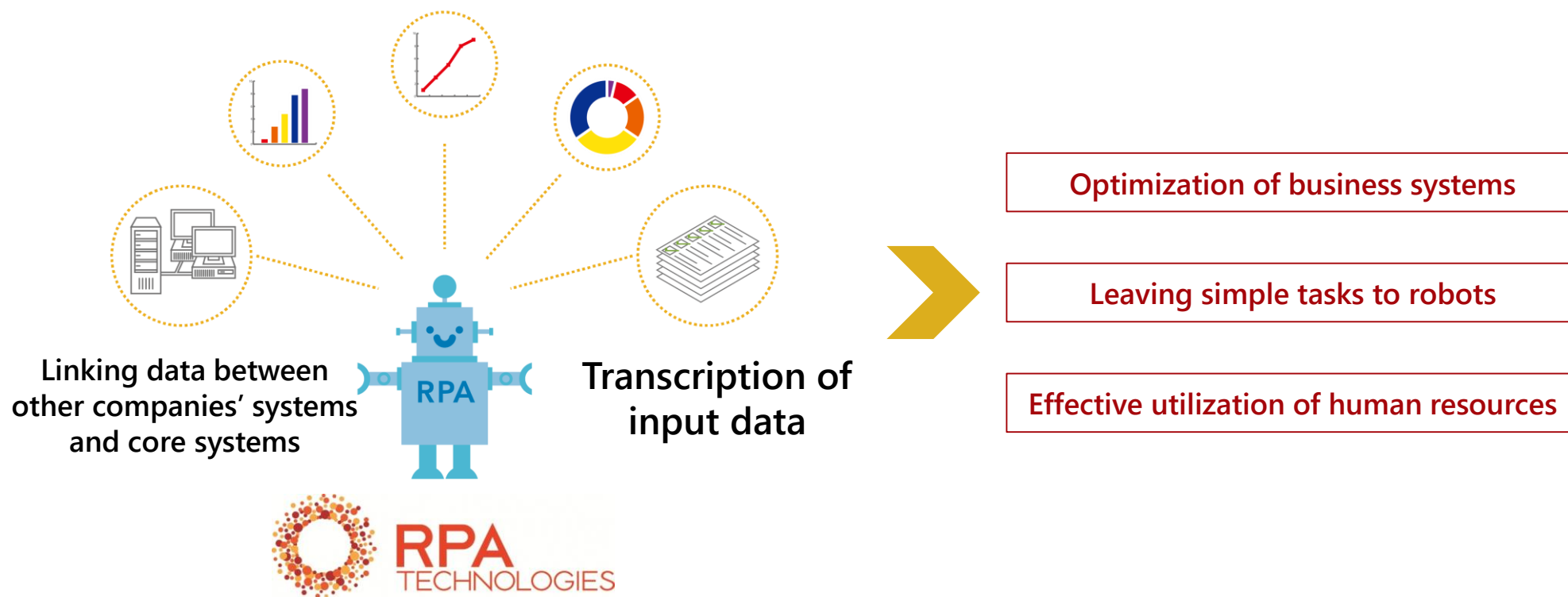
	End of fiscal year ended June 2018	2Q fiscal year ending June 2019	YoY change
Current assets	11,132	10,264	-868
Non-current assets	3,446	3,347	-98
Total assets	14,590	13,622	-968
Liabilities	12,688	11,573	-1,115
Net assets	1,902	2,049	147
Total of liabilities and net assets	14,590	13,622	-968

Change in Payout Ratio



02

Growth Strategy



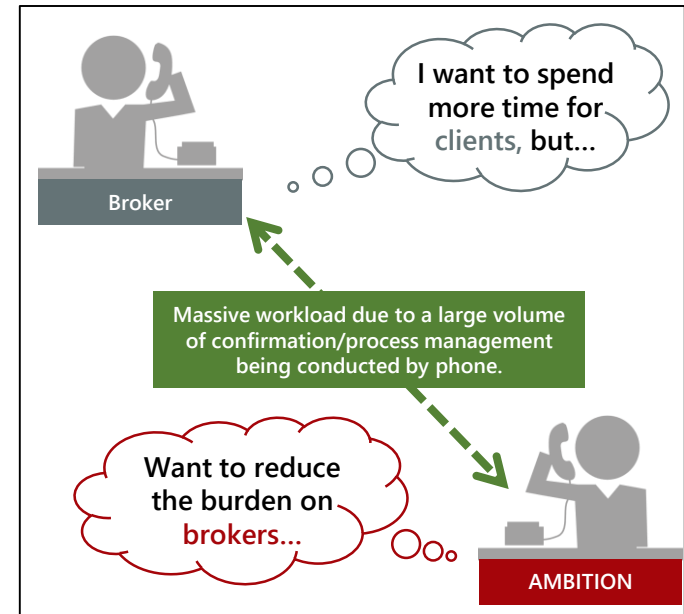
RPA is a system that automatically operates PCs for humans. For instance, it can be mainly used to synchronize various business systems with core systems or reflect payment data from financial institutions in core systems.

Advantage of using RPA is that it can continue to perform the same tasks even if the core systems or reference data change due to version upgrade and such.

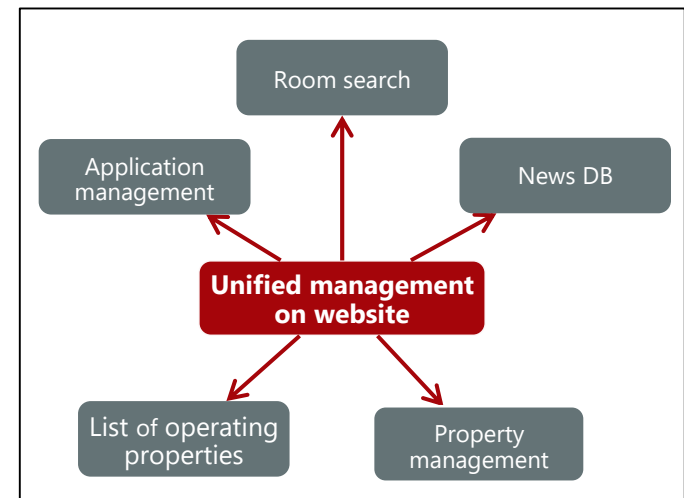
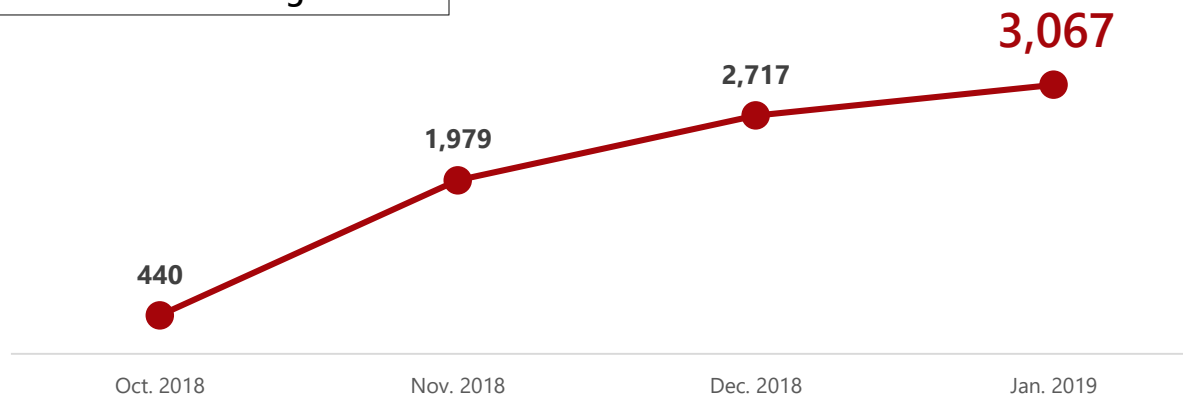
Improve efficiency and results of brokerage business with "CPMA"

Ambition has launched Contract Process Management Automation (CPMA), a system on the exclusive website for brokers to automate contract process management, as a solution to streamline the massive brokerage-related workload arising daily between brokers and Ambition.

- Unified management of vacancy confirmation, previews and contract process management on the website
- "Enhancement of customer satisfaction" by spending more time for clients
- Realization of work-style reforms



Number of CPMA registrations



Promoting Business with & AND HOSTEL

& AND HOSTEL ASAKUSA (Note) developed by Ambition is the second in the & AND HOSTEL business promotion matching with Ambition's strategy of looking to create the future of housing with keywords like "private lodging" and "IoT." We have completed its delivery upon sale and concluded a sublease agreement.

& AND HOSTEL KANDA, which has already opened, is being used beyond the borders of culture, nationality, values and such as a smart hotel connecting to the world.

&AND HOSTEL ASAKUSA



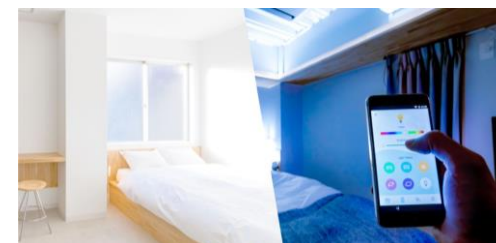
Note: Delivery upon sale and conclusion of a sublease agreement of & AND HOSTEL ASAKUSA are subsequent events.

&AND HOSTEL KANDA



About the & AND HOSTEL Smart Hostel Brand

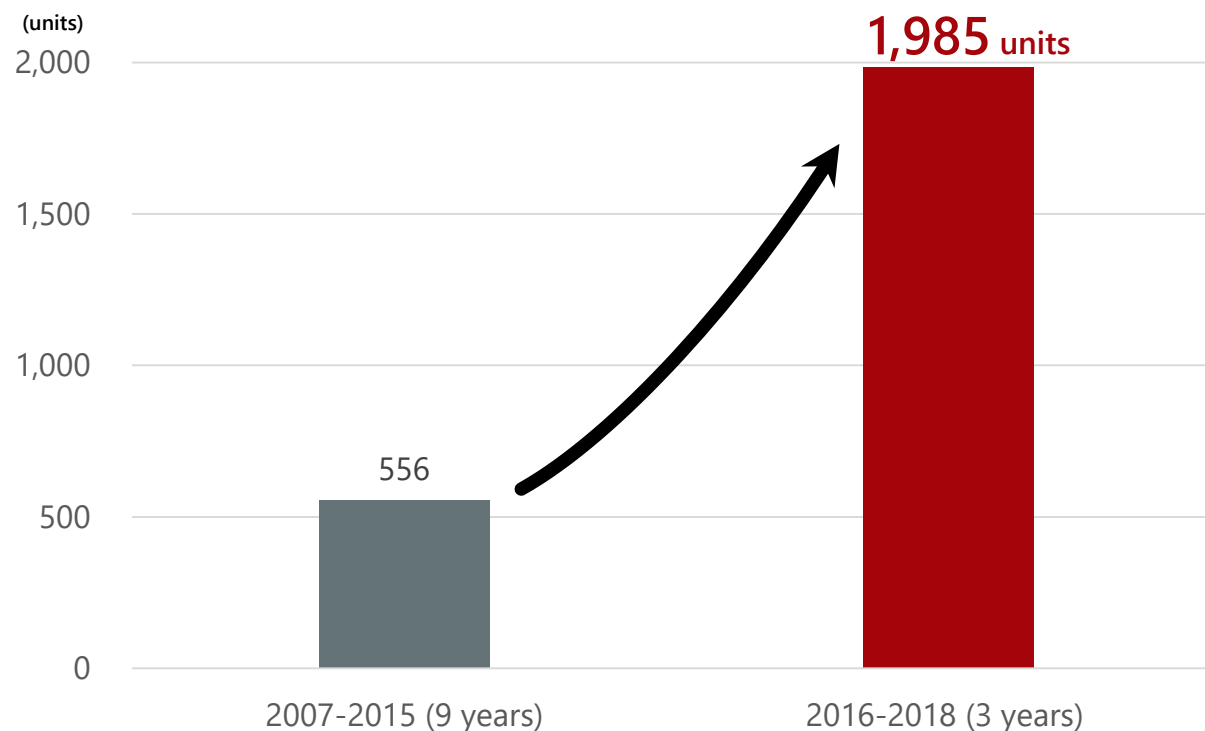
& AND HOSTEL produced by 'and factory' is an experiential lodging facility consolidating cutting-edge IoT devices in one place and providing an enjoyable near-future IoT space. It is a smart hostel connecting to the world, providing not only IoT experiences but also a place for encounters and the gathering of lodgers with vibrant communication only possible at hostels.



Speeding up preparation of living environment for foreign workers eyeing the new visa system to be effective in April 2019

- Foreign residents account for as much as 7% in the approximately 18,000 units managed by Ambition.
- The most recent number of contracts by foreign nationals exceeded 1,900, a sharp increase of more than threefold from 2015.

Number of contracts by foreign nationals among units managed by AMBITION



Foreign population in Japan

As of June 2018

2,637,000 people
(Approximately **2.1%**
of total population)

+166,000 people
from the previous year (Note)

(Note) Survey by the Ministry of Justice

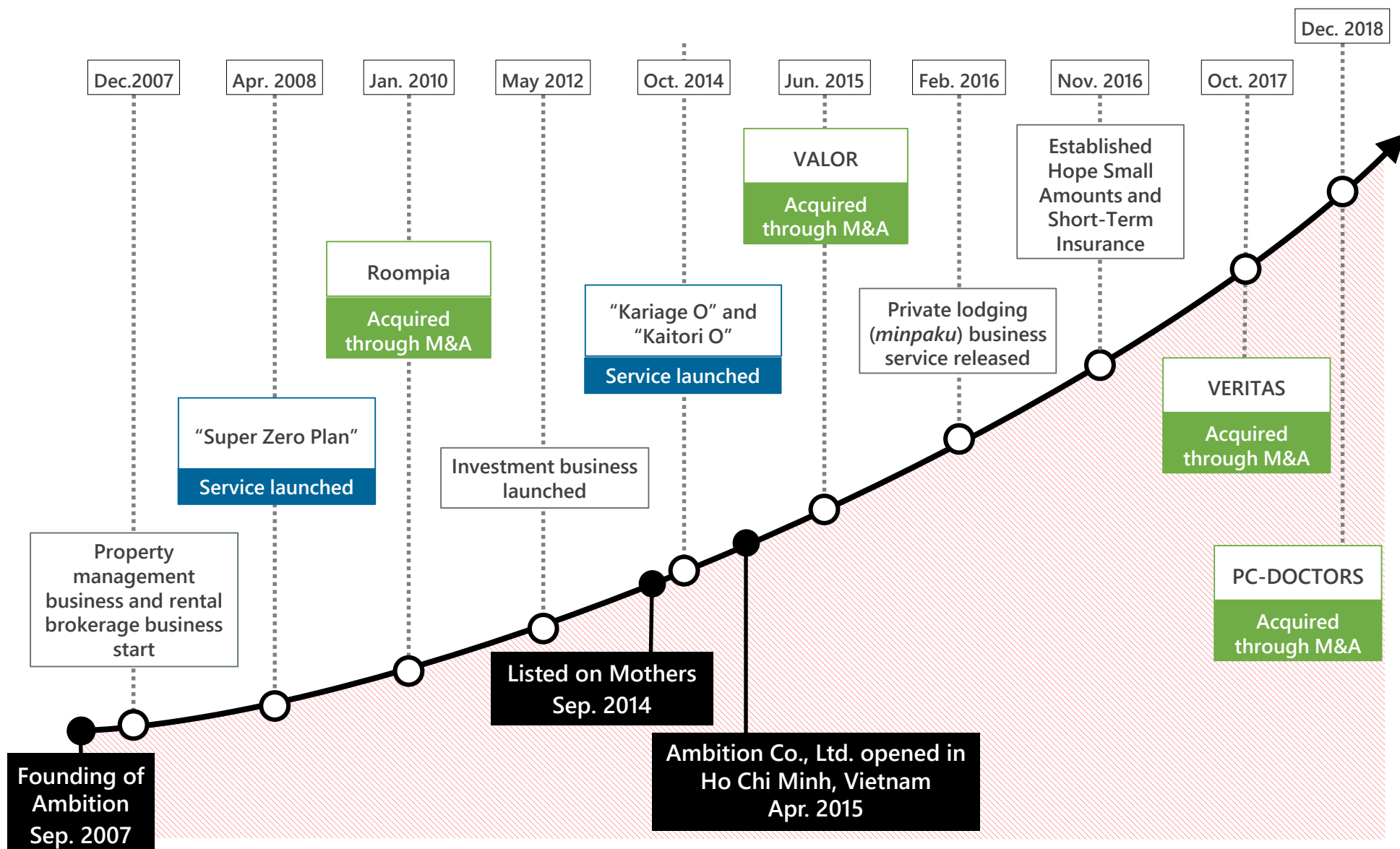
03

Profile

Company name	Ambition Corporation
Representative	Takeshi Shimizu
Established	September 14, 2007
Listed exchange	Tokyo Stock Exchange (Mothers)
Listing date	September 19, 2014
Capital	379,780,200 yen
Settlement period	End of June each year
Directors	Takumi Suzuki, Executive Managing Director; Masaaki Yamaguchi, Director Fumio Nagase, Director (Supervisory Auditor, etc.); Miki Hayashi, Director (Supervisory Auditor, etc.); Hiroto Kawano, Director (Supervisory Auditor, etc.); Shuichi Takenaga, Director (Supervisory Auditor, etc.)
License number	Minister of Land, Infrastructure, Transport and Tourism (2) No. 8023
Head office location	Sumitomo Fudosan Harajuku Building 18F, 2-34-17, Jingumae, Shibuya-ku, Tokyo
Department	Property Management Department: Office of operations / Lease System Management Division Business Administration Department: General Affairs Division / Accounting Division /Personnel Division / Information Strategy Division Investment Department: Investment Division / Transaction and Brokerage Division
Consolidated subsidiaries	Ambition ROOMPIA Co., Ltd. VALOR Co., Ltd. Veritas Investment Co., Ltd. Hope Small Amounts and Short-Term Insurance Co., Ltd. Not Found Co., Ltd. Vision Inc. AMBITION VIETNAM CO., LTD.
Non-consolidated subsidiaries	Room Guarantee Co., Ltd.
Partner banks	MUFG Bank, Resona Bank, Mizuho Bank, Sumitomo Mitsui Banking Corporation, ORIX Bank Corporation, Chiba Bank, etc.






Company name	Ambition ROOMPIA Co., Ltd.
Representative	Takeshi Shimizu
Directors	Toru Oishi, Director; Takumi Suzuki, Director; Fumiyoshi Ozeki, Auditor
License number	Minister of Land, Infrastructure, Transport and Tourism (3) No. 7560
Head office location	Sumitomo Fudosan Harajuku Building 18F, 2-34-17, Jingumae, Shibuya-ku, Tokyo
Branches	Ikebukuro Branch, Takadanobaba Branch, Waseda Branch, Shinjuku Branch, Shibuya Branch, Naka-Meguro Branch, Ginza Branch, Akihabara Branch, Kinshicho Branch, Ueno Branch, Yokohama Branch, Sagami-Ono Branch, Higashi-Omiya Branch, Motoyawata Branch, WEB Division, Student Division, Corporate Division
Company name	VALOR Co., Ltd.
Representative	Takeshi Shimizu
Directors	Naoto Tamura, Director; Takumi Suzuki, Director; Fumiyoshi Ozeki, Auditor
License number	Kanagawa Prefectural Governor (4) No. 24651
Head office location	Nagaoka Building 3F, 2-1-22 Kitasaiwai, Nishi-ku, Yokohama, Kanagawa
Branches	Yokohama Branch, Hiyoshi Branch, Kamiooka Branch, Futamatagawa Branch, Tsurumi Branch
Company name	VERITAS Investment Co., Ltd.
Representative	Hideki Kawada
Directors	Tomohiko Maeda, Director; Yoshio Maruyama, Director; Takeshi Shimizu, Director; Takumi Suzuki, Director; Masaaki Yamaguchi, Director; Fumiyoshi Ozeki, Auditor
License number	Building Lots and Building Transaction Business, Governor of Tokyo (3) No. 89191 Condominium Management Business, Minister of Land, Infrastructure, Transport and Tourism (2) No. 033520 First-class architect office, registered with the Governor of Tokyo, No. 55840
Head office location	Shibuya Mark City West 19F, 1-12-1 Dogenzaka, Shibuya-ku, Tokyo
Company name	Hope Small Amounts and Short-Term Insurance Co., Ltd.
Representative	Ryohei Fukumoto
Directors	Takeshi Shimizu, Director; Takumi Suzuki, Director; Fumiyoshi Ozeki, Auditor
Registered number	Director-General of the Kanto Finance Bureau (small amounts and short-term insurance) No. 80
Head office location	Sumitomo Fudosan Harajuku Building 18F, 2-34-17, Jingumae, Shibuya-ku, Tokyo

Trajectory of Expansion of Business and Services



Real Estate SPA of Ambition

Ambition's real estate SPA singlehandedly handles development, purchase, sales, brokerage of transactions and leasing, private lodging (*minpaku*) and insurance, centering on real estate leasing and management to address the diverse needs of customers.

	Target	Strengths
Property Management Business (Leasing and Management)		
 Private Lodging (Minpaku)	Individual customers and corporate customers such as real estate companies who wish to lease owned real estate as well as customers who want to use private lodging (minpaku) facilities.	<ul style="list-style-type: none"> Guaranteed rents that make owners who manage their assets feel at ease can be posted since leasing with value-adding measures and firm leasing brokerage is possible. Vacant properties can be used alternatively as private lodging (minpaku) facilities as leasing and management is conducted.
Development (Investment business)		
	Real estate companies and other corporate customers and individual customers who wish to own, invest in or manage real estate.	<ul style="list-style-type: none"> Development and sale of condominiums for investment are conducted centering on the region called the Premium Area of Tokyo's 23 wards. Veritas is one of the leading companies in this area.
Purchase/Resale business (Investment business)		
	Real estate companies and other corporate customers and individual customers who wish to sell or purchase real estate.	<ul style="list-style-type: none"> Transactions at a competitive prices is possible since leasing with value-adding measures and firm leasing brokerage is possible.
Small Amounts and Short-Term Insurance Business		
	Rental office and restaurant occupants	<ul style="list-style-type: none"> Reasonably-priced simple insurance policy A wide range of product lineup Stable number of policy holders
Rental brokerage business		
	Clients wishing to move into properties for rent, mainly university students, young workers and other people in their late 10s to 30s.	<ul style="list-style-type: none"> The shop is easily accessible being close to a metropolitan terminal station. High competitiveness with a variety of properties. Of managed properties, 60% are contracted at Roompia and VALOR shops.

A photograph of the Tokyo Tower, a red lattice tower, in the foreground on the left. The background shows a dense urban skyline of Tokyo under a hazy, orange-tinted sky, suggesting sunset or sunrise. The word "END" is superimposed in large white letters in the center of the image.

END

Opinions, forecasts, etc. in this document are Ambition's judgements as of the point of preparation of this document, and the accuracy of such information is not guaranteed.

Please note that actual performance and results may differ significantly due to changes in various factors.