

Full-
Year

2019

Securities
Code

3300



A M B I T I O N

Supplementary Financial Materials

Fiscal Year Ended June 2019 (Full-Year)

August 14, 2019

Summary of the fiscal year ended June 2019

- ◇ Net sales expanded steadily to 29.6 billion yen (up 27% year on year)
- ◇ Operating profit remained strong at 1.59 billion yen (up 39% year on year)

Objectives for the fiscal period ending June 2020

- ◇ Further growth of property management business, Ambition's core business
- ◇ Strengthening of services for real estate companies centering on RPA

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Mid-Term Goal “AMBITION PROJECT 100”

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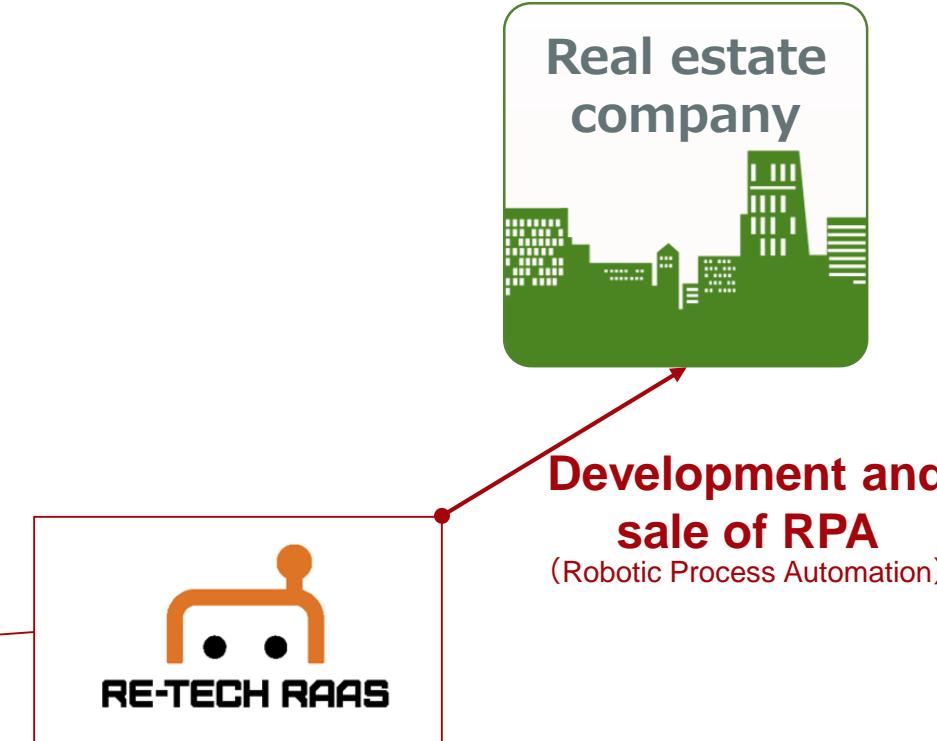
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APPENDIX

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01

About Ambition Group



What does Ambition Group do?

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

Property management business

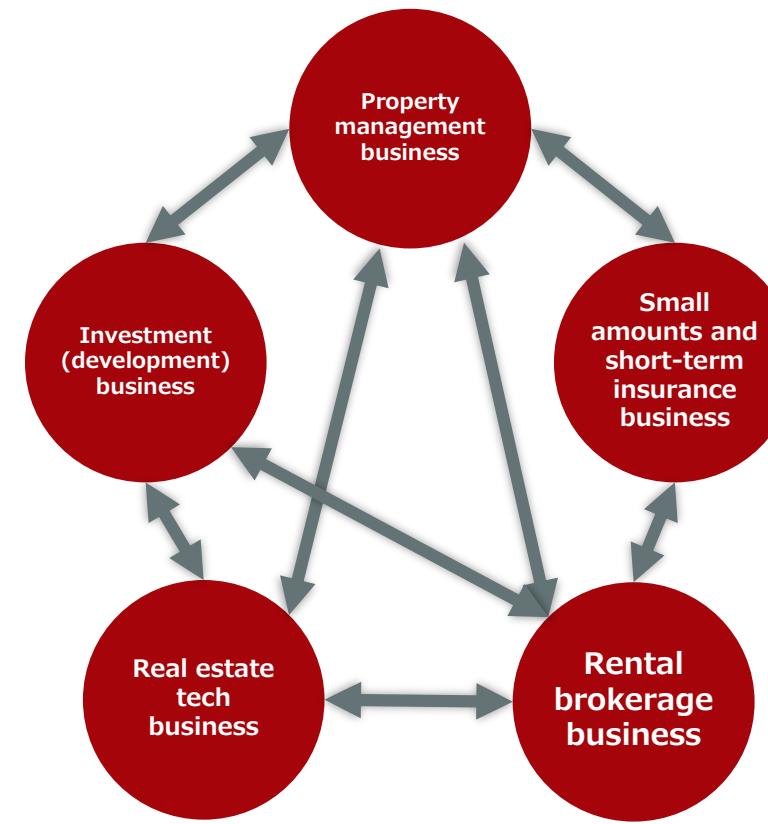
Pillar of the Ambition Group!
Stable business largely unaffected by the economy among businesses in the real estate industry, which is often swayed by the economy.

Investment (development) business

Great agility!
Star business in the real estate industry!
Developing and selling properties priced at several tens of millions of yen one after another!

Real estate tech business

Real estate tech business including RPA business to create the future of housing using technology
Create the future of the real estate industry!



Small amounts and short-term insurance business

Steady business which can expect an increased number of handling cases along with the expansion of Ambition Group's property management business such as insurance contracts upon concluding leasing contracts.

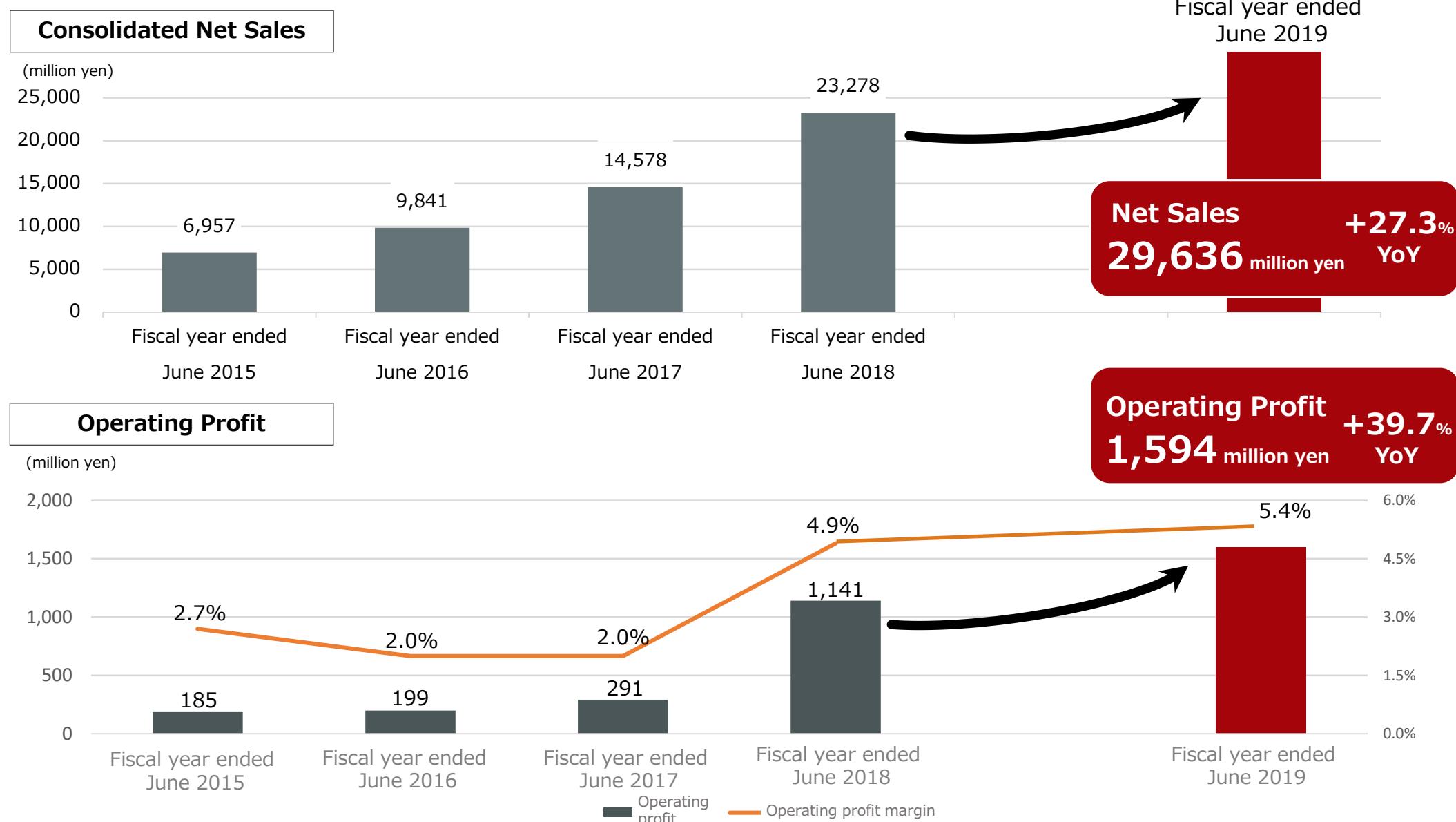
Rental brokerage business

Rolling out rental brokerage business centering on quality sublease management properties of around 10,000, targeting singles in their late teens to 30's such as college students and new working adults.

02

Financial Summary

Increase in Sales and Operating Profit over the Past 5 years (comparison by fiscal year)



Net Sales by Segment

- The investment business saw strong sales of Veritas in the fiscal period ended June 2019 and the sales ratio reached 50%, surpassing that of the property management business.
- The sales ratio of the property management business is expected to return to the top in the fiscal period ending June 2020 as the number of new deals in the investment business will be limited.



23,278 million yen

Fiscal year ended June 2018
(Full-Year)

Total Net Sales

Fiscal year ended June 2019
(Full-Year)

29,636 million yen

Property management business

PM

Revenue increased due to stable increase in the number of managed units. Profits were pressed in the second half of the fiscal year as loan-loss reserves were increased under the revised accounting policy. Profits are expected to be on an upward trend again in the fiscal year ending June 2020 with more efficient RPA business.

Investment business

INV

Revenue and profits increased due to strong sales of Veritas surpassing the plan. Steady growth of purchase/resale business.

Rental brokerage business

**ARP
VAL**

Profits decreased significantly due to the cutback in the number of shops to focus on the real estate tech business. Plans to develop business centering on corporate contracts going forward.

Other business

etc.

Started proactive upfront investment in the real estate tech business centering on RPA.

Stable increase in the number of managed units contributing to sales

	Fiscal year ended June 2018	Final year ended June 2019	Growth rate
Number of sublease management units	9,307 units	10,250 units	110.1%
Total number of managed units	17,186 units	18,996 units	110.5%
Move-in ratio of subleased units	97.0%	97.7%	100.7%

The move-in ratio remained at **the highest level in the industry** with managed properties in the 23 wards of Tokyo which sees high demand.

- Managed properties: Mainly quality condominiums such as designer condominiums
- Area: Concentrated in Tokyo (mainly in the 23 wards) + Kanagawa, Chiba and Saitama prefectures
- Target group: Mainly the young

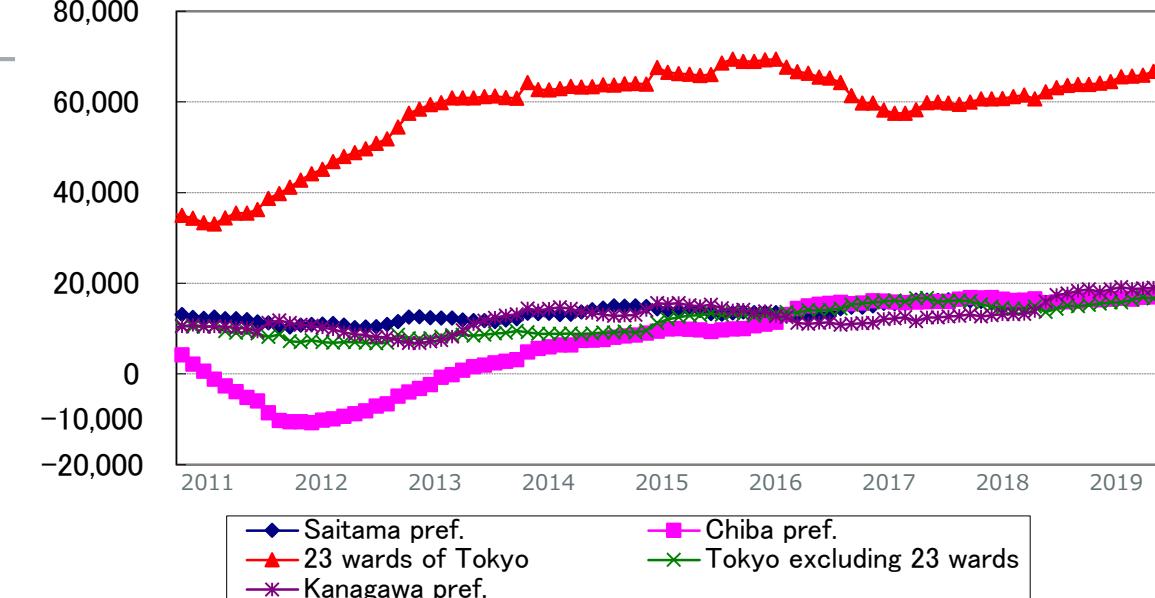
Backed by the upward trend of population inflow in the entire Tokyo metropolitan area, increase in the number of managed units and a higher move-in ratio can be expected!

Significant net population inflow into central Tokyo from the peripheral areas continues.

Frequent shortage of rental properties has contributed to the high occupancy rate.

These trends are expected to continue going forward.

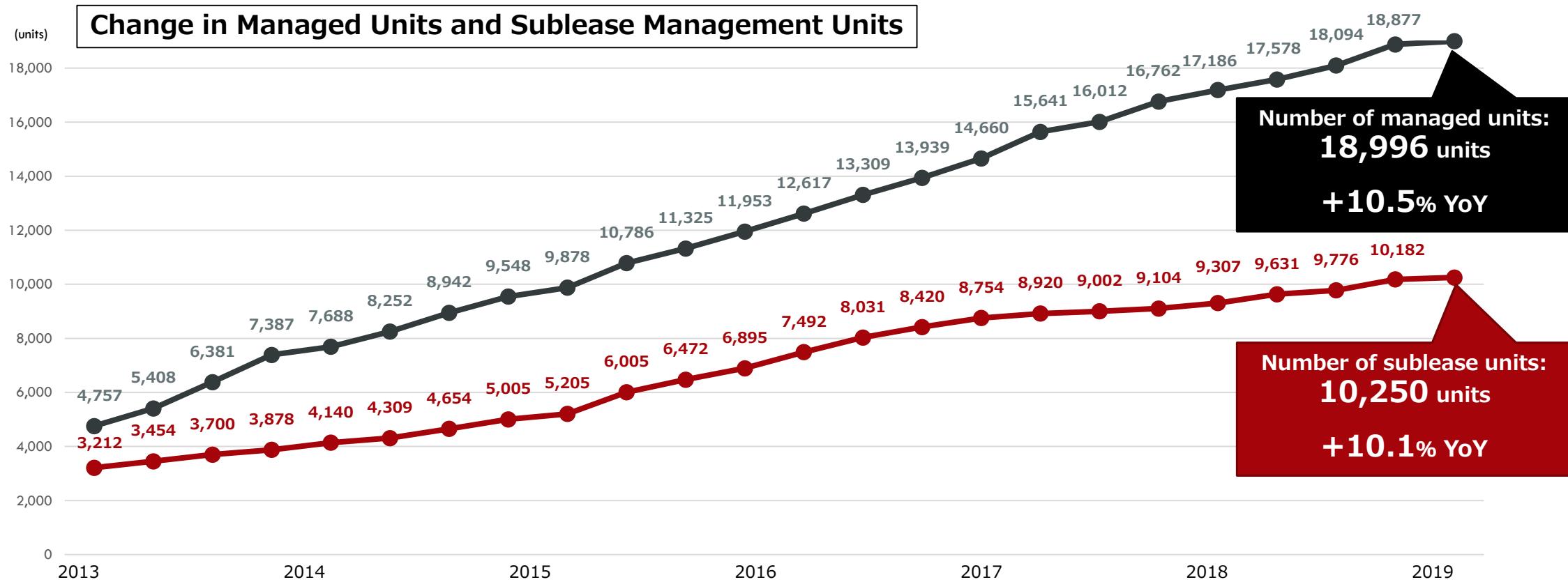
Change in Annual Net Population Inflow by Area in the Tokyo Metropolitan Area



Ambition's Core Business: Property Management Business

Ambition has developed the property management business as its core business since its foundation in **September 2007**. While real estate companies have been affected by the macro economy, Ambition's property management business has grown steadily.

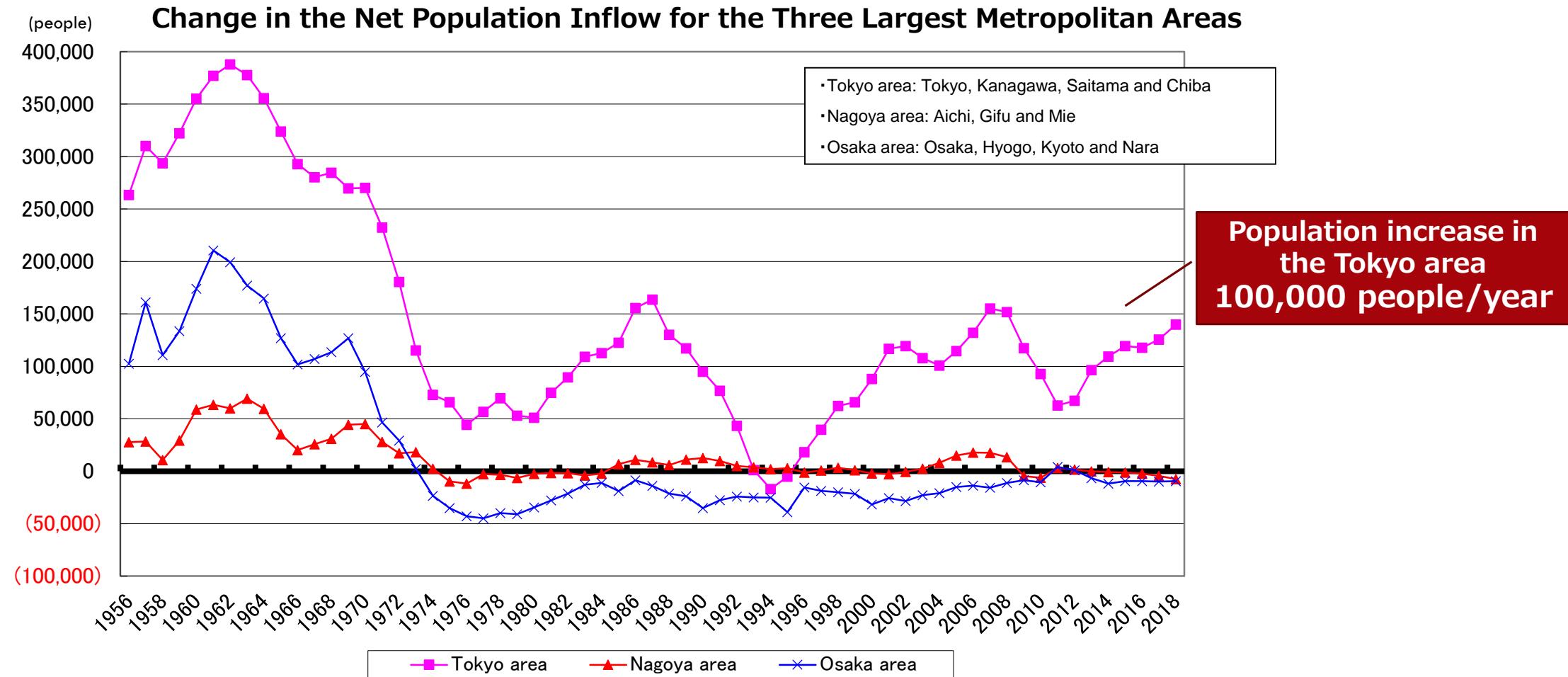
Since property management is a stock business, it can expect stable revenue based on the increase in the number of managed units, regardless of economic situation. Ambition will proactively expand the business while assessing property value appropriately going forward.



- With net inflow for 21 consecutive years, the Tokyo area has experienced steady population growth.

- The Nagoya area and the Osaka area have experienced net outflow for 5 consecutive years.

As these trends are likely to continue going forward, Ambition's property management business environment is **sound and strong**.



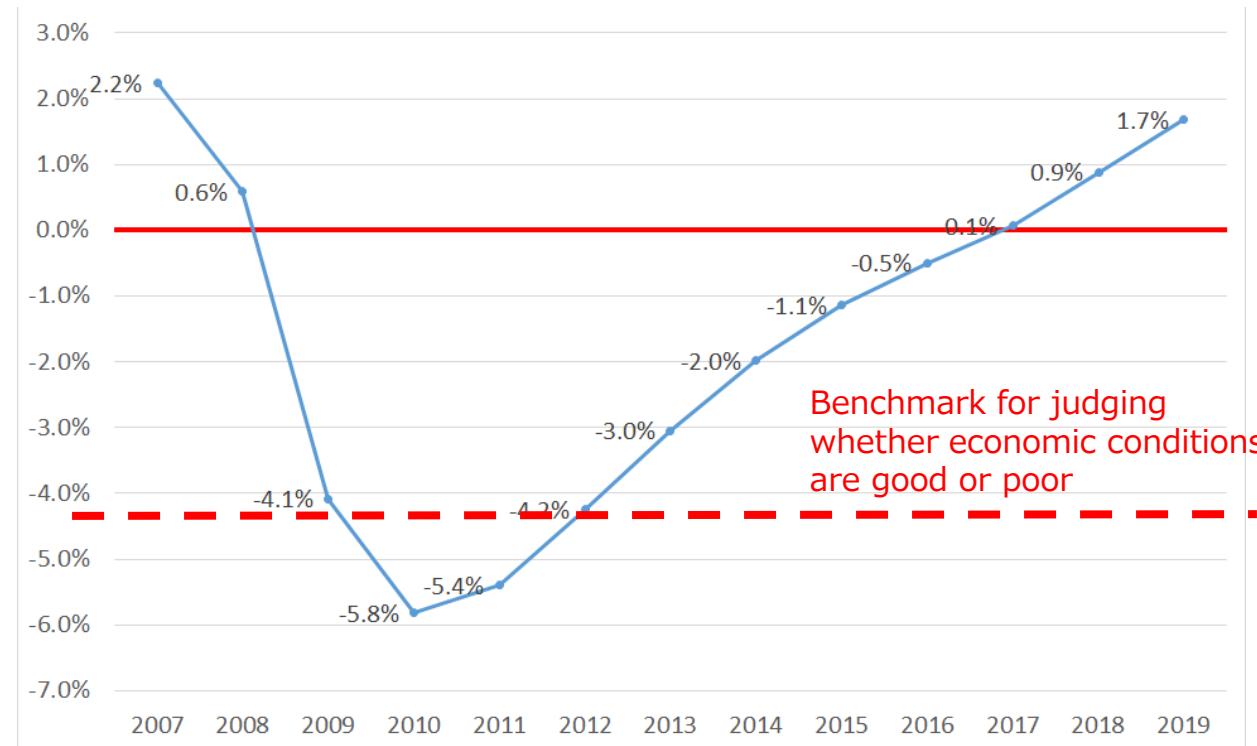
(Source) Report on Internal Migration in Japan

Higher rent revision rate is expected in the 23 wards of Tokyo.

The revision rate plunged after the global financial crisis, but has been recovering since 2010.

Rent is expected to rise even for aging buildings in the future because supply of newly built properties continues to be on a downward trend while demand for properties keeps growing in the 23 wards of Tokyo.

Change in the Average Rent Revision Rate in the 23 Wards of Tokyo



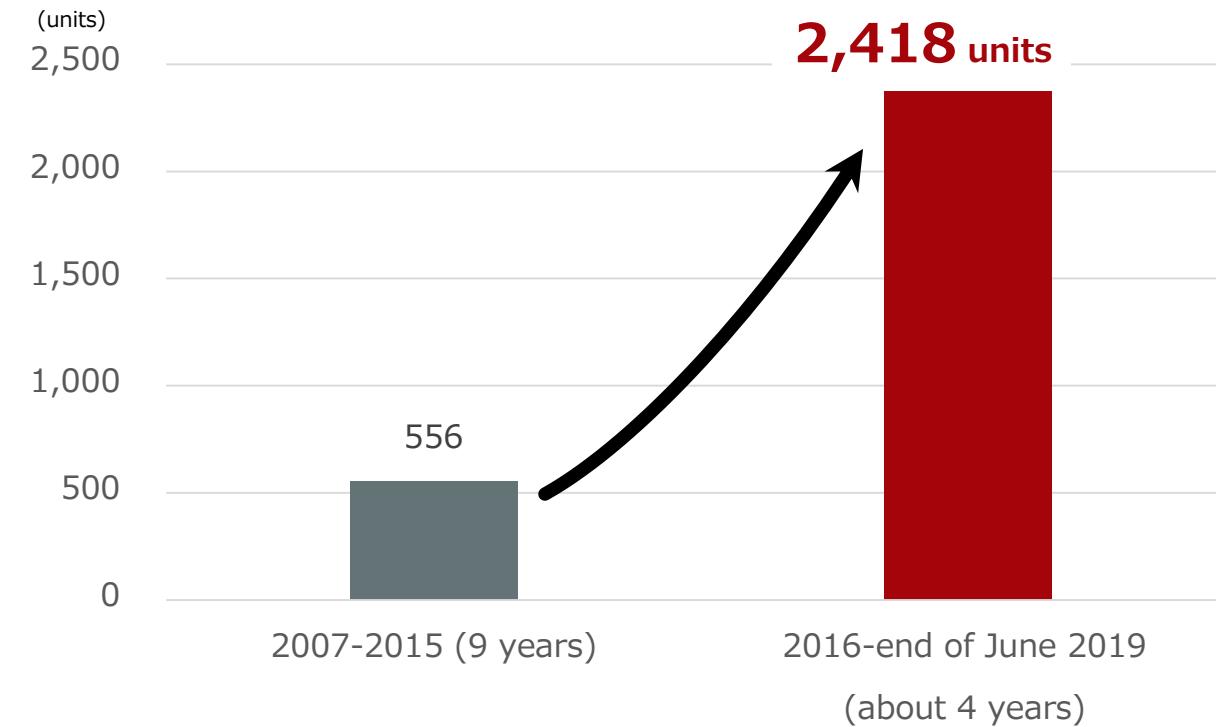
Rent revision rate normally falls by around 1% as the building becomes one year older. However, such depends on supply-demand balance.

"Most of the lease contracts in Japan are Traditional Building Lease Contracts/Building Lease Contracts with automatic renewal. The lease is extended at the end of the lease term unless the landlord provides a justifiable reason to terminate it. (Source: Ministry of Land, Infrastructure, Transport and Tourism)

Speeding up preparation of living environments for foreign workers eyeing the new visa system to come into effect in April 2019

- Foreign residents account for as much as 8.2% of residents in the 18,996 units managed by Ambition.
- The most recent cumulative number of contracts by foreign nationals totaled 2,418, a sharp increase of more than fourfold from 2015.

Number of Contracts by Foreign Nationals among Units Managed by AMBITION



Foreign Population in Japan

As of December 2018

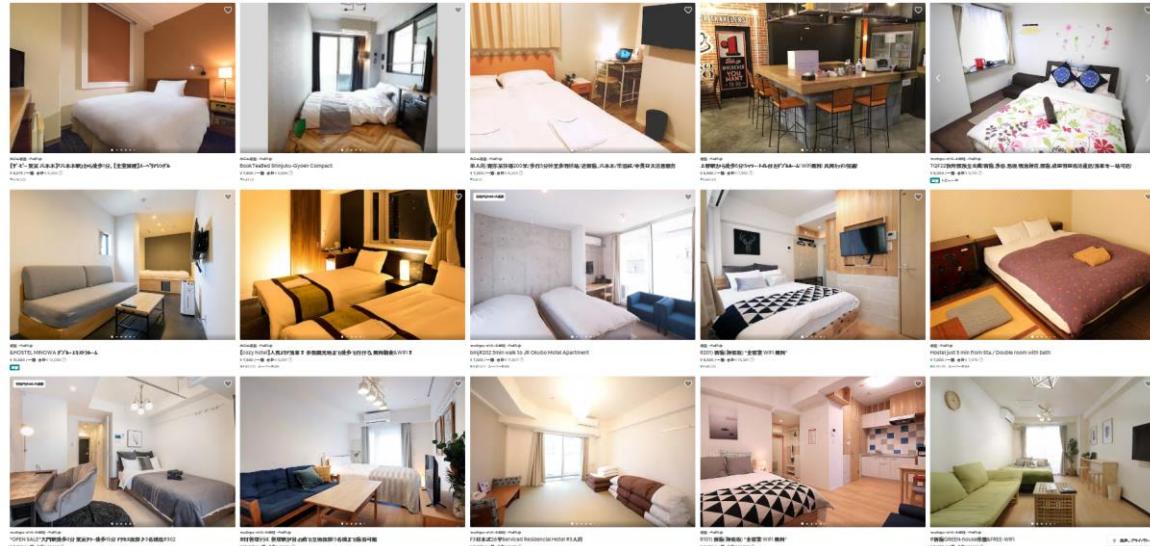
2,731,000 people
(Approximately **2.1%** of total population)

+169,000 people
from the previous year (Note)

(Note) Survey by the Ministry of Justice

Focusing on the private lodging (*minpaku*) business with the increase in inbound tourists

Number of lodgers per night at **Airbnb** surpassed 4 million in Osaka and Tokyo, making the global top 10!



Guests can stay for 2 nights or longer in Ota Ward, which has been designated as a special *minpaku* ward.

- **C'est joli ikegami**
- **HANEDA Bienvenue**

Two designer *minpaku* buildings are in operation and are well-received! In addition, three **&AND HOSTEL** buildings are also in operation under the investment business!

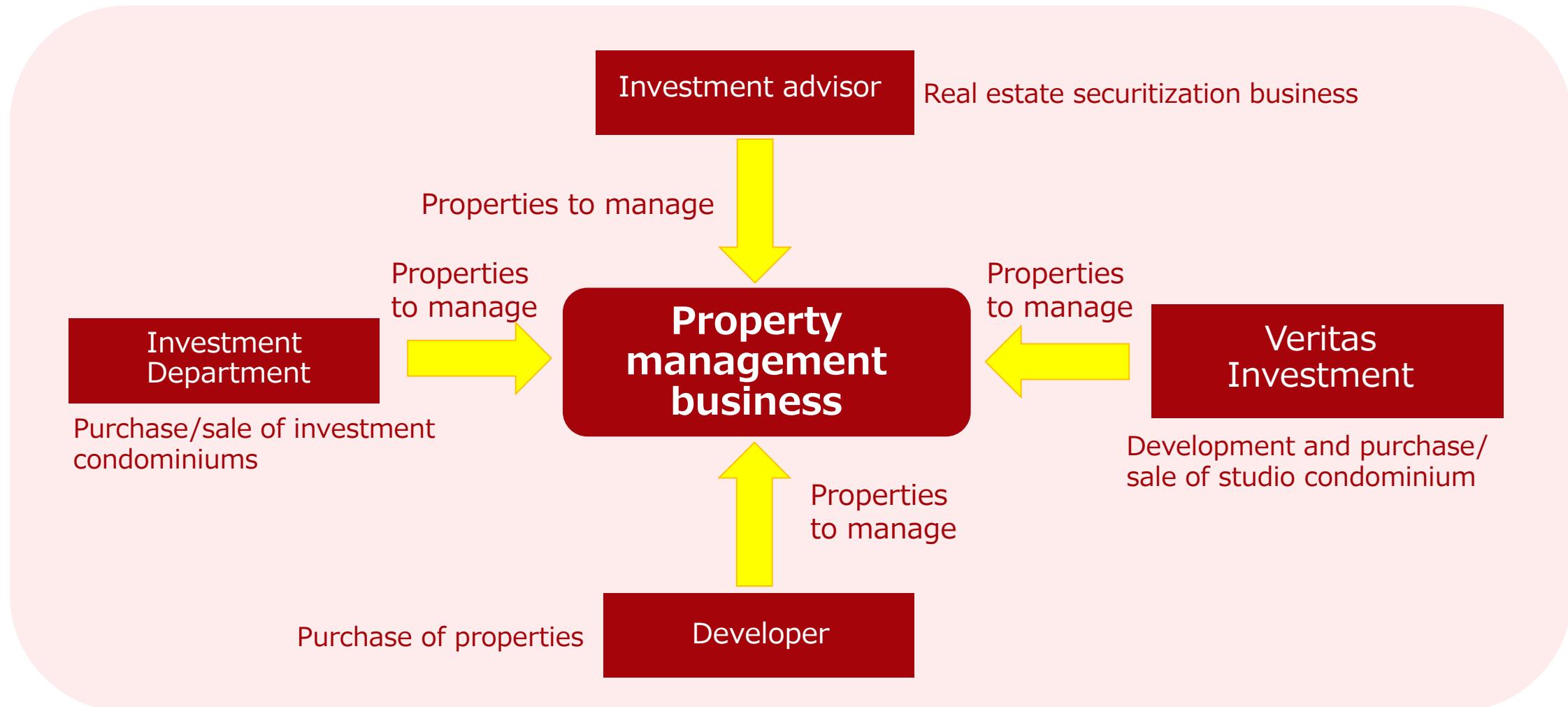
『C'est joli IKEGAMI』

In **January 2019**, received "Guest Review Awards 2018" presented by "Booking.com TM," the world's largest online hotel reservation site.

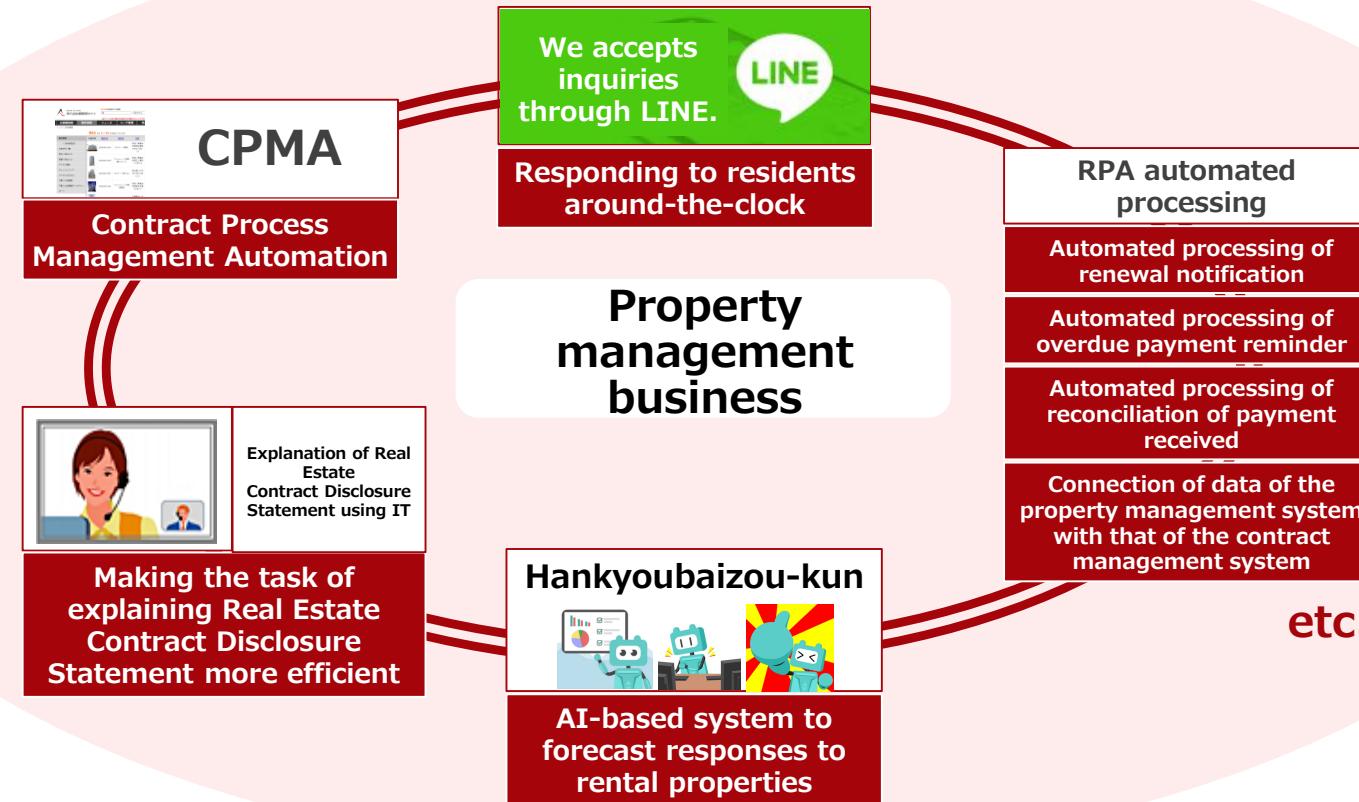
Received the award for the **second time** following the first in 2016



Business scheme for stable acquisition of properties to self-manage



**Increasing efficiency of the property management business to 500%
(compared to our conventional work efficiency) through introduction of technologies**



The number of manageable units when other property management companies carry out the same management business:

50 units/person

When Ambition carries out the management business:

250 units/person

A series of new services to **enhance customer convenience** have been introduced in the property management business.



Launch of smartphone payment
(QR code payment)



In **June 2019**, we launched QR payment services for "PayPay" and "LINE Pay" to accommodate the needs for mobile payment which have been on the rise in recent years. With this, we intend to enhance the convenience of concluding leasing contracts for customers.



Launch of Subsclife service



In **June 2019**, we launched "subsclife," a furniture/home appliances subscription service for residents at rental properties handled by Ambition, renting out 38,000 pieces of furniture of 41 brands.



An-Toku Relocation Service



In **August 2019**, we launched a service which offers lower relocation charges by reducing items upon relocation through purchase of disused items that are found when packing.

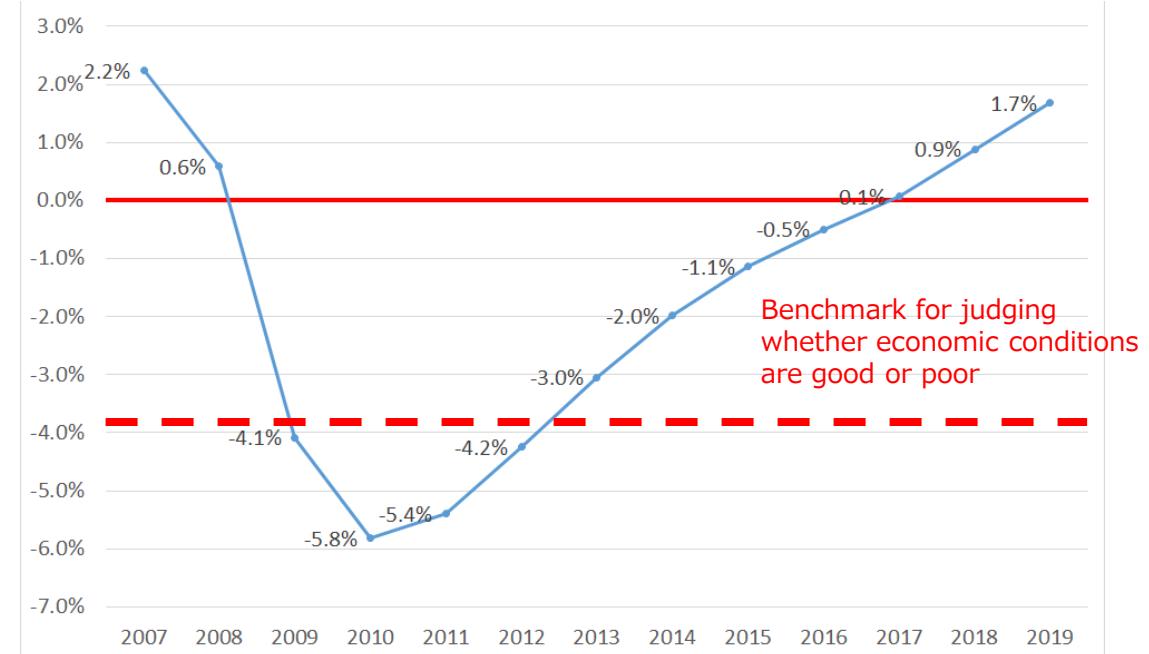


Favorable condominium sales by Veritas

Supervision by a famous designer + Tokyo Premium Area = High occupancy rate x High rent = High return!



Change in the average rent revision rate in the 23 wards of Tokyo



The favorable sales of new designer condominiums for investment have contributed to progress in the investment business.

The most important thing in sales of studio condominiums for investment is to **minimize risk** for investors.

Veritas Investment has helped many investors avoid risks by realizing **“high rent x high occupancy rate = high return.”**

Promoting Business with & AND HOSTEL

In **August 2019**, we concluded a sublease agreement for &AND HOSTEL HOMMACHI EAST, a youth hostel that incorporates IoT.

We hope the hostel will become popular as a smart hotel connecting to the world along with &AND HOSTEL ASAOKUSA and &AND HOSTEL KANDA, for which we have already concluded sublease agreements.

&AND HOSTEL HOMMACHI EAST



&AND HOSTEL ASAOKUSA

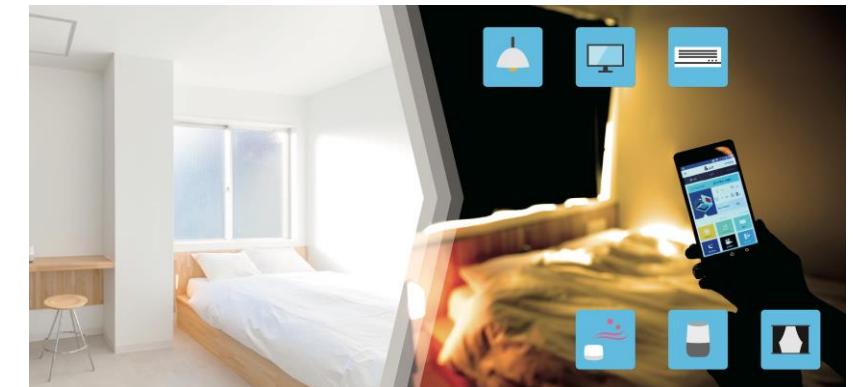


& AND HOSTEL



About the & AND HOSTEL Smart Hostel Brand

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



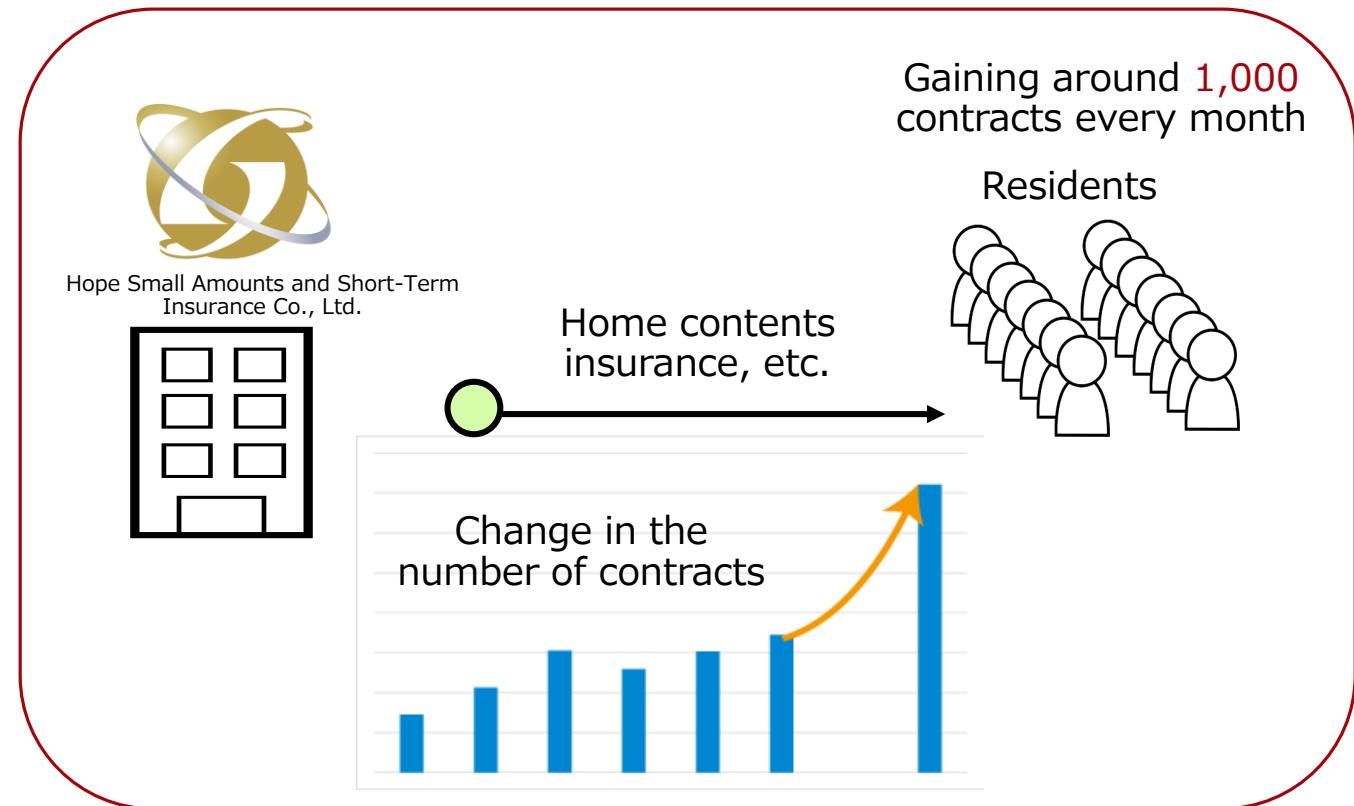


A small amounts and short-term insurance company is based on a new insurance style which started in April 2006. It is the third type of insurance company inaugurated following the life insurance company and non-life insurance company.

Since its establishment in **November 2016**, Hope Small Amounts and Short-Term Insurance Co., Ltd. has provided home contents insurance and liability insurance for residents of rental housing and other insurance to customers residing in properties managed/brokered by Ambition Group.

[Key points]

- Around 1,000 new contracts every month
- The number of insurance contracts has risen in line with the increase in the number of units managed by Ambition
- **Plans to develop new products with better coverage to accommodate customer needs**



We have established an affiliate in Vietnam and rolled out international businesses.

The main businesses are real estate purchase/sale/leasing brokerage services for foreigners in Vietnam; business processing outsourcing (BPO) of in-house data entry service; and system development outsourced for companies in Vietnam.

We engage in development and renovation not only for real estate business but also to create better life. With regard to the real estate business at Ambition Vietnam, we provide brokerage services centering on real estate leasing and purchase/sale by fusing internet technologies and Ambition's business.



Significant increase in revenue and profits due to sales increasing 27% year on year and operating profits increasing 39% year on year

- Continuous growth of the property management business and favorable sales of Veritas significantly contributed to the sales increase.
- Although 4Q posted loss as planned due to upfront investment in the RPA business, etc., ordinary profit managed to surpass the upwardly-revised figure.

Consolidated P/L Summary		(million yen)		
	Fiscal year ended June 2018	Fiscal year ended June 2019	YoY comparison	
	Amount	Amount	YoY change	YoY comparison
Net sales	23,278	29,636	6,358	+27.3%
Gross profit from sales	4,644	6,257	1,612	+34.7%
Selling, general and administrative expenses	3,502	4,662	1,159	+33.1%
Operating profit	1,141	1,594	453	+39.7%
Ordinary profit	1,017	1,433	415	+40.9%
Profit attributable to owners of parent	611	736	125	+20.4%

Consolidated B/S Summary

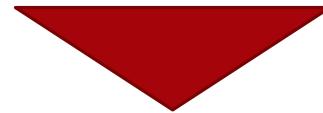
	Fiscal year ended June 2018	Fiscal year ended June 2019	(million yen)
	Amount	Amount	YoY change
Current assets	11,132	9,807	-1,324
Non-current assets	3,446	3,840	394
Deferred assets	11	10	-0
Total assets	14,590	13,659	-931
Current liabilities	5,348	4,222	-1,125
Non-current liabilities	7,340	6,834	-506
Net assets	1,902	2,602	700
Total of liabilities and net assets	14,590	13,659	-931

The equity ratio improved from 13.0% to 18.9%.

03

Growth Strategy

Creating the future of housing using technology



Improving
work
efficiency

Effectively
utilizing human
resources

Enhancing
customer
convenience

Efficient
marketing using
data

RPA business



RE-TECH RAAS

Establishment of a
joint company,
Re-Tech Raas



Launch of
“Hankyoubaizou-kun”
service



Explanation of Real Estate
Contract Disclosure
Statement using IT



Broker



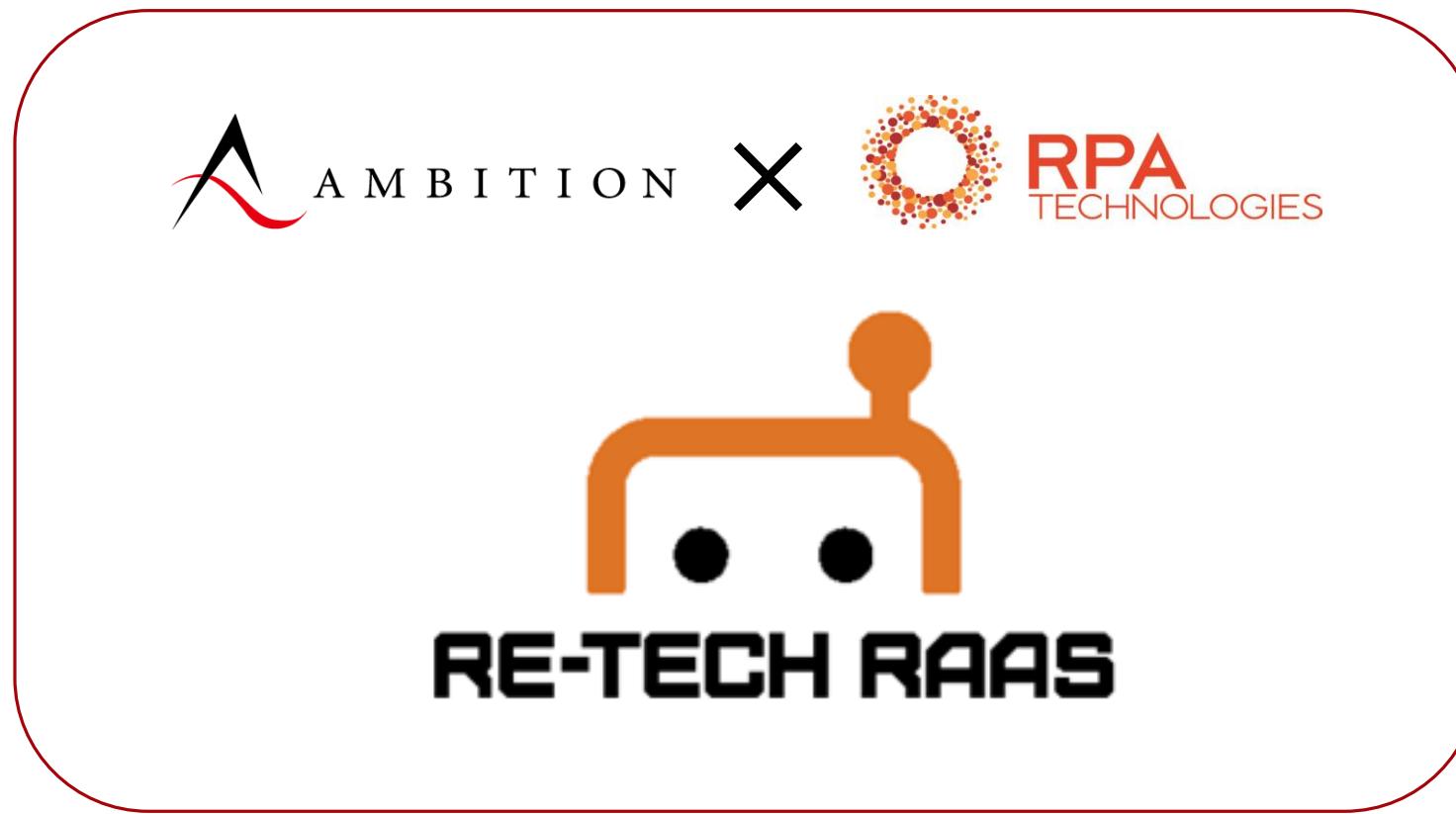
AMBITION

– CPMA –

Improve work
efficiency with IT
technology
replacing phones!

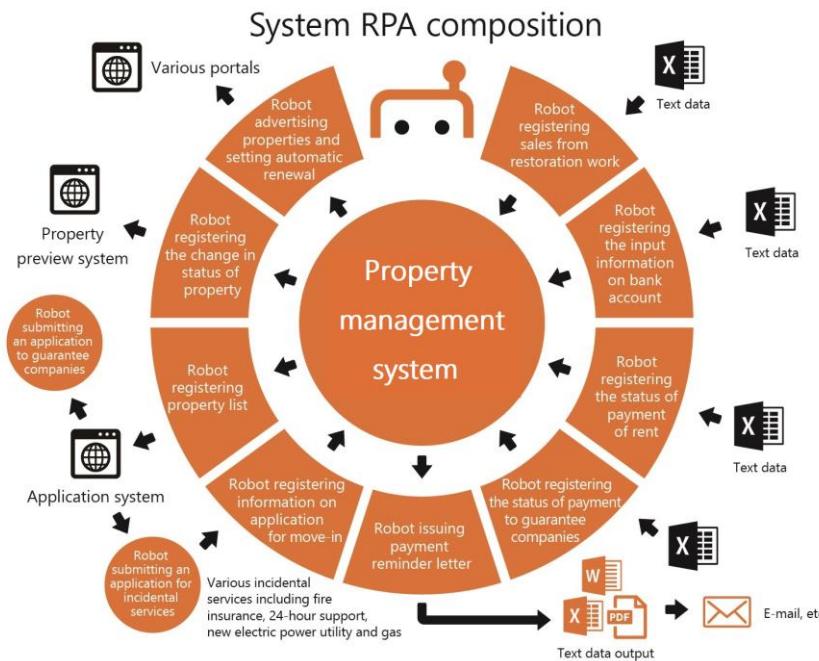
Real estate solutions

Re-Tech RaaS Inc., a joint company of Ambition and RPA Technologies, was established in **July 2019 as a company to develop and sell RPA for real estate companies.**





Property Management System + RPA = Improved Work Efficiency!



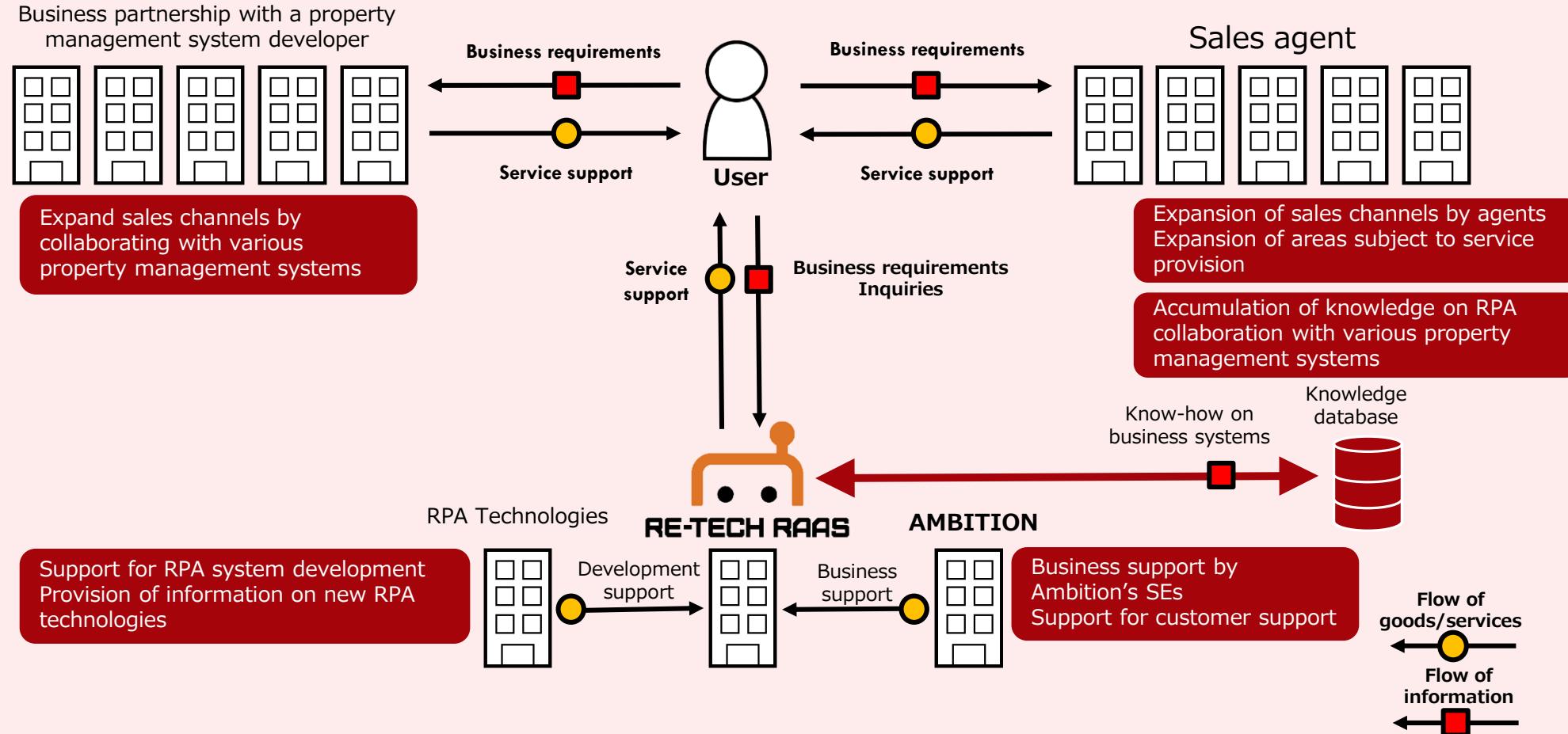
The number of companies operating building lots and building transaction business in Japan is 124,430 (Note). About 95% of them have 10 or less employees. With shorter working hours required by the work style reform, the needs for improving work efficiency are on the rise. In order to accommodate such needs, we established Re-Tech RaaS together with RPA Technologies Inc., and will form a business partnership with a property management software company and sell RPA packages for improving work efficiency of real estate business operators.

(Note) As of March 31, 2019; Announced by the Ministry of Land, Infrastructure, Transport and Tourism

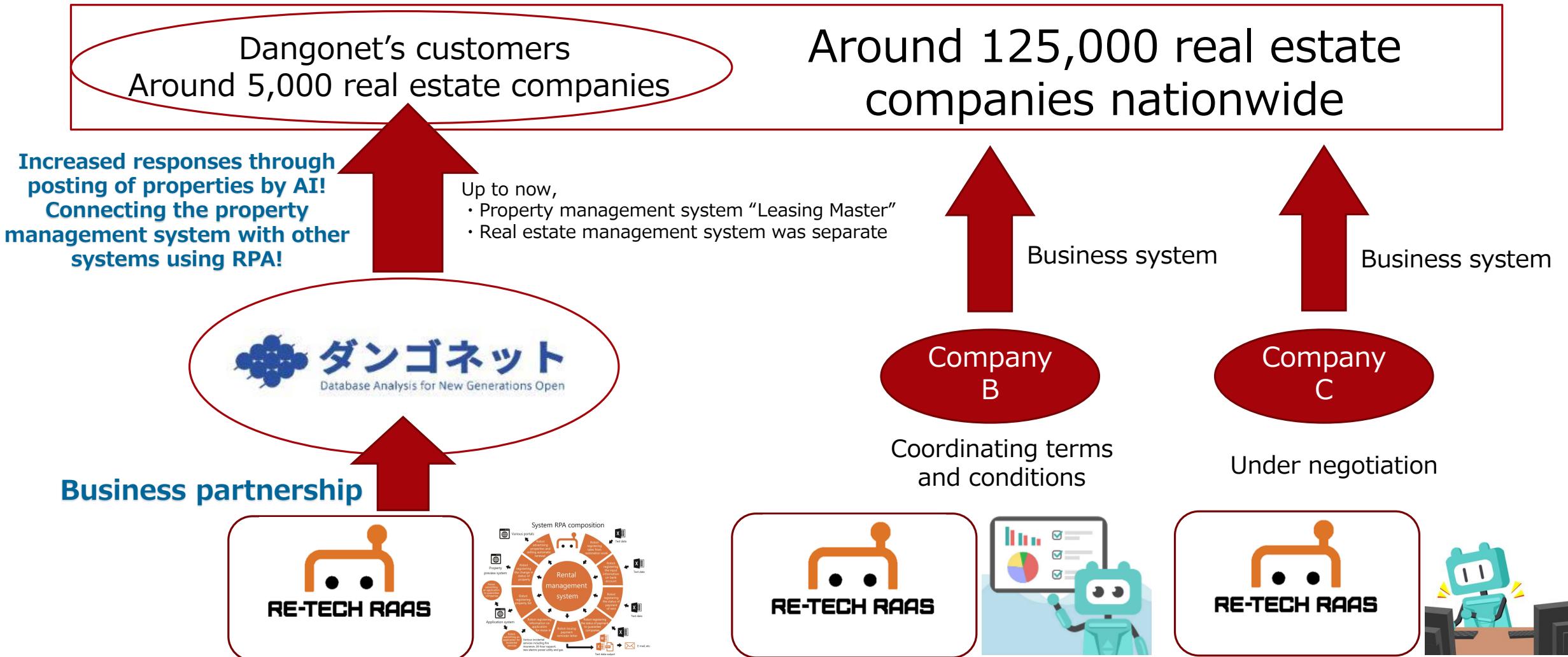


RE-TECH RAAS

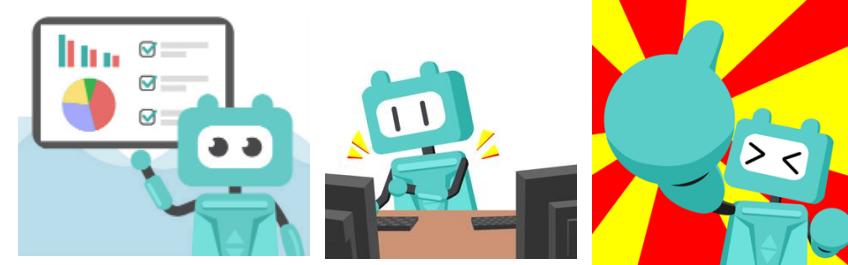
Re-Tech RaaS Business Model



Will provide support in improving work efficiency in the real estate industry!



“Hankyouubaizou-kun”



AI-based robot to forecast responses to rental properties

What is “Hankyouubaizou-kun”?

→ A robot that predicts “properties that customers want to rent” incorporating AI to analyze property information.

When “Hankyouubaizou-kun” is used...

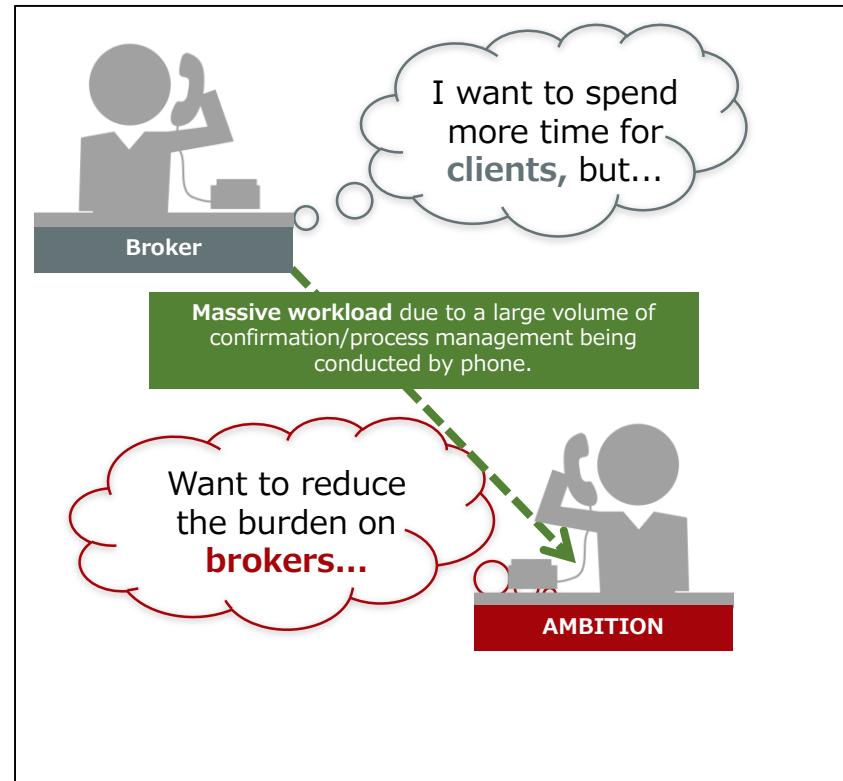
Even if a part-time worker inputs property information instead of a shop manager, better “responses from customers” are received than from when information is input by a manager.

“Hankyouubaizou-kun” is a robot that improves work efficiency and grasps customers’ needs.

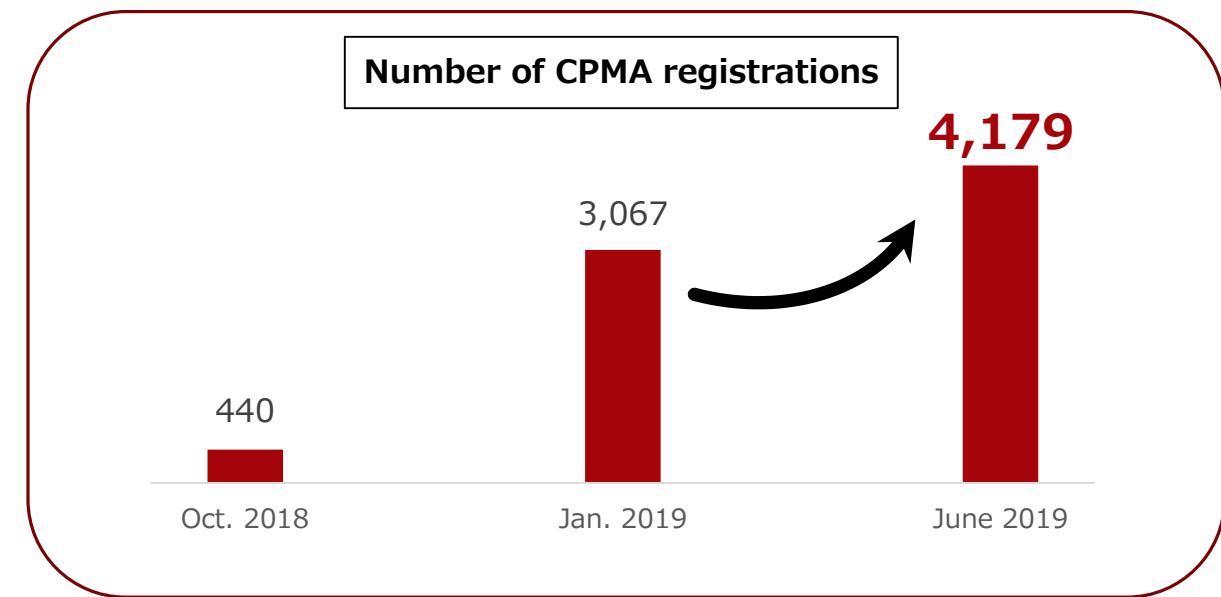
Currently, 5 companies are using “Hankyouubaizou-kun” on a trial basis. We plan to increase the number going forward.

Efficiency of brokerage business and number of contracts concluded increased with “CPMA”

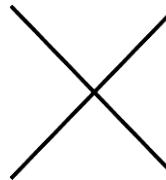
In **October 2018**, Ambition launched Contract Process Management Automation (CPMA), a system on the exclusive website for brokers to automate contract process management, as a solution to streamline the massive brokerage-related workload arising daily between brokers and Ambition.



- 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



Business partnership with “Uhomes,” a major leasing operator for students from China



In **August 2019**, Ambition Rent Co., Ltd., Ambition's consolidated subsidiary, agreed with Uhouzz Network Technology Co., Ltd., a Chinese company involved in accommodation brokerage business for international students (brand name: Uhomes; hereinafter, referred to as "Uhomes"), to form a business partnership. (Note)

Uhomes is a leading Chinese company involved in accommodation brokerage business mainly for Chinese students studying abroad. It has provided safe and secure housing to a total of 80,000 Chinese students living abroad in the four years since its establishment.

With the partnership formed this time, Ambition Rent introduces properties to students studying in Japan based on Uhomes' real estate information website for Chinese students studying abroad.

(Note) Ambition Rent Co., Ltd. is a spin-off company of Student Division of Ambition ROOMPIA Co., Ltd. established in July 2019.

04

Performance Forecast

Consolidated Forecasts for Fiscal Year Ending June 2020

In the fiscal year ending June 2020, we will work on various new businesses that are important for Ambition's future growth. To that end, we plan to **make proactive upfront investment mainly in the first half of the fiscal year**.

- Net sales are forecast to show a steady year-on-year increase of **5.5%** with a limited number of new projects in the investment business.
- Operating profit is forecast to decrease in the first half of the fiscal year due to proactive upfront investment in the RPA business, etc. As we expect profit growth from the investment in the second half of the fiscal year, record profit is forecast for the full year with a year-on-year increase of **3.3%**.

Consolidated P/L Summary		(million yen)	
	Fiscal year ended June 2019	Forecast for fiscal year ending June 2020 <small>(Note)</small>	YoY comparison
Net sales	29,636	31,256	+5.5%
Operating profit	1,594	1,647	+3.3%
Ordinary profit	1,433	1,470	+2.6%
Profit attributable to owners of parent	736	929	+26.1%

(Note) Business forecasts and other forward-looking statements in this document are based on information currently held available to Ambition as well as certain assumptions deemed to be rational and so actual results may significantly differ due to various factors.

Will continue with stable shareholder return going forward while making proactive upfront investment in growth areas.

Consolidated payout ratio

Payout ratio: Targeting **20%** or more

Fiscal year ended
June 2019

25.0 yen per share

Payout ratio **23.1%**



Distribution amount to remain unchanged

Fiscal year ending
June 2020 (forecast)

25.0 yen per share

Payout ratio **18.3%**

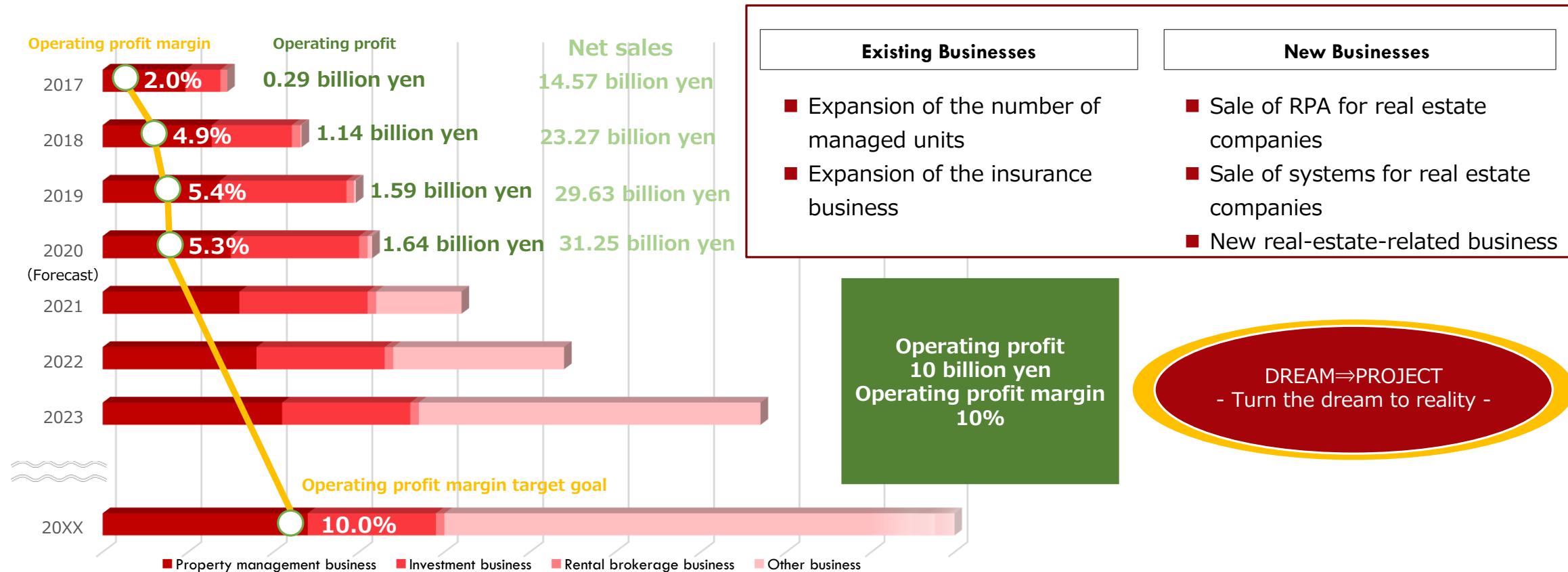
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Mid-Term Goal “AMBITION PROJECT 100”

(Former) "AMBITION DREAM 100" with a medium- to long-term goal of achieving 100 billion yen in net sales

(New) Revised to: "AMBITION PROJECT 100" with a medium-term goal of achieving 10 billion yen in operating profit at an early stage

- Positioning the fiscal year ending June 2020 as the first year of the PROJECT, seek to gain dramatic growth in the next fiscal year onward by **making proactive upfront investment centering on the highly profitable RPA business** in the first half of the fiscal year.
- Over the medium term, aim for **an early achievement of 10 billion yen in operating profit and 10% operating profit margin** through: Stable growth of the property management business, which is a stock business, as the main focus in the existing businesses + Rapid growth centering on the highly profitable RPA business in the new businesses



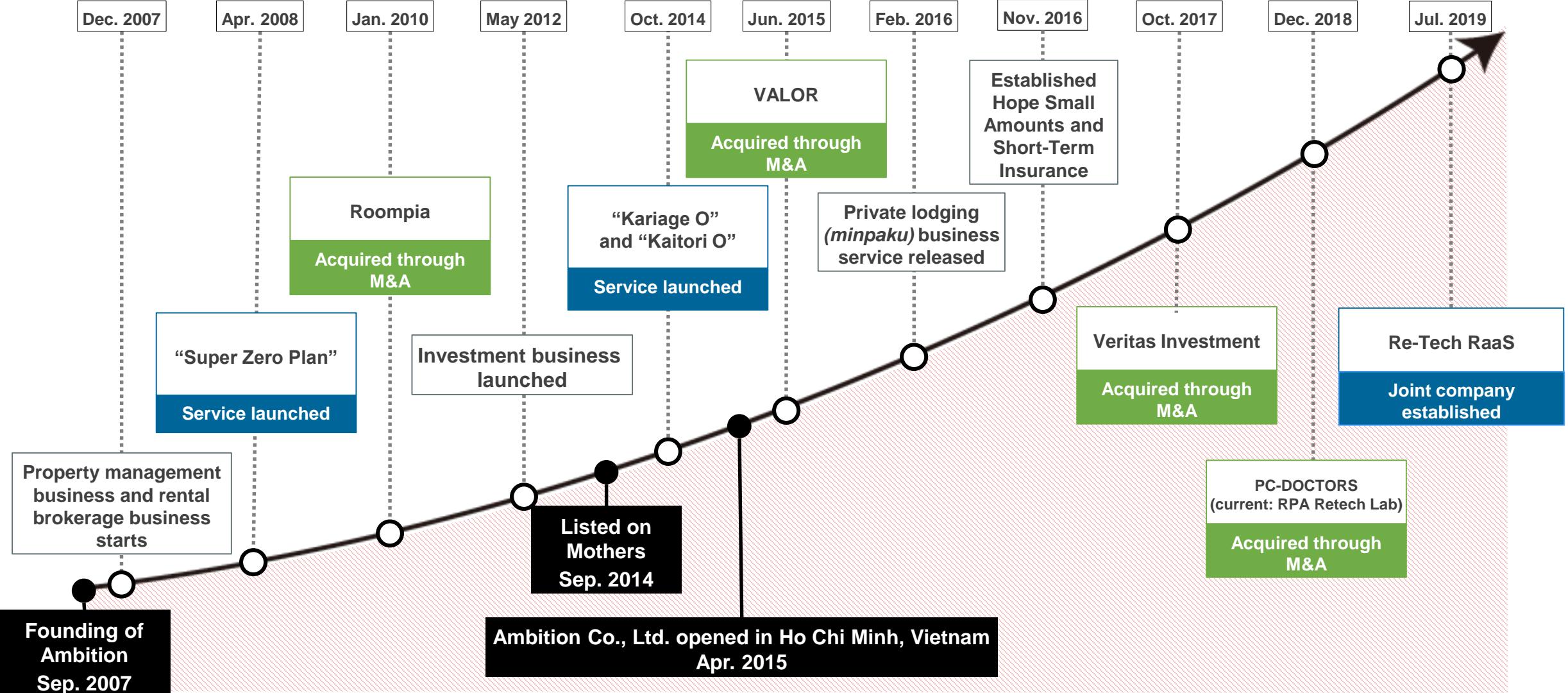
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APPENDIX

APPENDIX

Company name	Ambition Corporation	Company name	Ambition ROOMPIA Co., Ltd.
Representative	Takeshi Shimizu	Representative	Takeshi Shimizu
Established	September 14, 2007	Directors	Toru Oishi, Director; Takumi Suzuki, Director; Fumiyo Shi Ozeki, Auditor
Listed exchange	Tokyo Stock Exchange (Mothers)	License number	Minister of Land, Infrastructure, Transport and Tourism (3) No. 7560
Listing date	September 19, 2014	Head office location	Sumitomo Fudosan Harajuku Building 18F, 2-34-17, Jingumae, Shibuya-ku, Tokyo
Capital	379,780,200 yen	Branches	Takananobaba Branch, Waseda Branch (Student Division), Naka-Meguro Branch, Ginza Branch, Sagami-Ono Branch, Higashi-Omiya Branch, Motoyawata Branch, WEB Division/Corporate Division
Settlement period	End of June each year	Company name	VALOR Co., Ltd.
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.)	Representative	Naoto Tamura
License number	Minister of Land, Infrastructure, Transport and Tourism (2) No. 8023	Directors	Takumi Suzuki, Director; Kazuto Sato, Director; Fumiyo Shi Ozeki, Auditor
Head office location	Sumitomo Fudosan Harajuku Building 18F, 2-34-17, Jingumae, Shibuya-ku, Tokyo	License number	Kanagawa Prefectural Governor (4) No. 24651
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	Head office location	Nagaoka Building 3F, 2-1-22 Kitasaiwai, Nishi-ku, Yokohama, Kanagawa
Affiliated companies	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 Co., Ltd. AMBITION VIETNAM CO., LTD. RPA Ritech Lab Inc. Ambition Rent Co., Ltd.	Branches	Yokohama Branch, Hiyoshi Branch, Kamiooka Branch, Futamatagawa Branch, Tsurumi Branch/Yokohama Okano Branch
Partner banks	MUFG Bank, Resona Bank, Mizuho Bank, Sumitomo Mitsui Banking Corporation, ORIX Bank Corporation, Chiba Bank, etc.	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; Fumiyo Shi 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; Fumiyo Shi 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



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Outlook, forecasts, plans, targets and other performance forecast and future outlook concerning Ambition and the Group described in this document are Ambition's judgements based on information available as of the date of this document.

Forecasts include various uncertain factors and actual performance may differ significantly from these future outlook.

A red lattice tower, likely a communications tower, stands prominently in the foreground on the left. The city skyline of a Japanese city, featuring numerous skyscrapers and buildings, stretches across the background under a warm, golden sunset sky.

END