

Q2

Q2 2020

Securities
Code

3300



A M B I T I O N

**Supplementary
Financial Materials
Fiscal Year Ending June 2020 (Q2)**

February 14, 2020

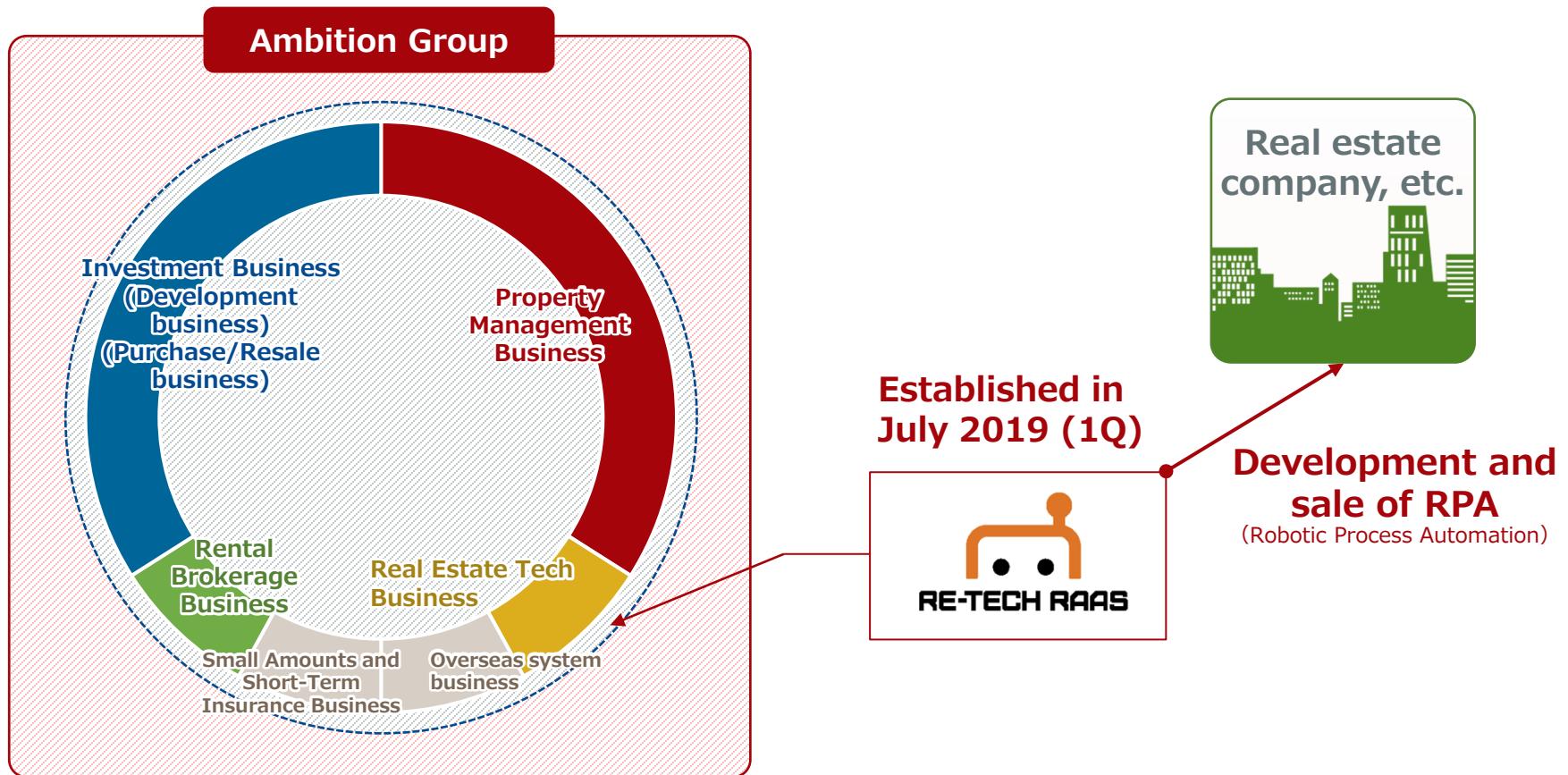
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01

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. In addition, recently **we have been focusing on the RPA business**, which is anticipated to become a new growth driver in the Real Estate Tech Business.



“Mainstay Business”

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 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!

Investment business

Rental brokerage business

Rental brokerage business

Developing rental brokerage centering on around 20,000 units in quality properties managed by Ambition targeting singles in their late teens to 30s.

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 agreements upon concluding lease agreements.

Small amounts and short-term insurance business

Overseas system business

An affiliate in Vietnam. It conducts web system development outsourced from companies in Vietnam and Japan. It also undertakes BPO operation of Ambition Group.

Property management business

Real estate tech business

“New Business with High Growth Potential”

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!

Other business

Policy for the Fiscal Year Ending June 2020

[A year to challenge for dramatic growth in the next fiscal year and after]

- ◇ Policy for the current fiscal year is to **focus on new businesses** that are important for the future growth of the Ambition Group, in addition to the **growth of existing businesses**.
- ◇ Positioning the current fiscal year as the **first year of the project** under AMBITION PROJECT 100, a medium-term goal of achieving 10 billion yen in operating profit at an early stage, Ambition is scheduled to make **proactive upfront investment (present assumed amount for the full year: around 500 million yen) centering on the highly profitable RPA business**.
- ◇ In the first half of the fiscal year, several cases of deferment of sales to the second half occurred in the investment business, leading to the forecast that in the current fiscal year, **sales will occur more disproportionately in the second half of the fiscal year than usual**.

Major Topics during the Current Fiscal Year

[Fiscal Year Ending June 2020 (Q1)]

■ July 2, 2019	Established Ambition Rent Co., Ltd. and Ambition Partner Co., Ltd.	P.38
■ July 19, 2019	Announced establishment of Re-Tech RaaS Inc., a joint company (Establishment date: July 29)	P.43
■ August 1, 2019	Announced launch of An-Toku Relocation Service, a service offering deals for moving + purchase of disused articles (Service launch; August 1)	P.27
■ August 8, 2019	Announced agreement on conclusion of sublease agreement for IOT smart hostel &AND HOSTEL HOMMACHI EAST	P.33
■ August 13, 2019	[Ambition Rent] announced agreement on forming a business partnership with "Uhomes," a major leasing operator for students from China	P.39
■ August 19, 2019	[Re-Tech RaaS] announced agreement on forming a business partnership with Dangonet	P.47
■ September 30, 2019	RPA Retech Lab announced launch of RPA operation entrusted from NTT DOCOMO	P.48

[Fiscal Year Ending June 2020 (Q2)]

■ November 7, 2019	[Veritas] announced launch of sales of two new designer condominiums for investment, "PREMIUM CUBE Yoyogi-Uehara" and "PREMIUM CUBE Nishi-Ojima"	P.31
■ November 27, 2019	Announced obtainment of permission for specified joint real estate ventures (crowd-funding for real estate investment)	P.34
■ December 3, 2019	[Veritas] announced launch of sales of a new large designer condominium for investment with over 100 units, "THE PREMIUM CUBE G Osaki"	P.31
■ December 24, 2019	Announced agreement on forming a business partnership with BuySell Technologies engaged in internet-type reuse business	P.34

Reference [Fiscal Year Ending June 2020 (3Q Onward)]

■ January 14, 2020	Launched website of Afunding, a crowd-funding service for real estate investment, and commenced solicitation of funds for first project	P.34
■ January 22, 2020	Received Traveller Review Awards 2020 hosted by Booking.com, the world's largest accommodation booking website	P.23
■ February 7, 2020	Announced downward revision of forecasts for the first half of the current fiscal year (forecasts for the full-year remain the same)	P.9

02

Financial Summary

Consolidated P/L (Comparison with Previous H1 Results and Initial H1 Forecasts)

Initial forecasts for the first half of the fiscal year have been revised downward for all items concerning net sales and profits due to **deferment to the second half in the investment business**.

[Initial forecasts for the first half] expected increase in sales and decrease in profits → resulted in [actual results for the first half] marking decrease in sales and turning into deficit.

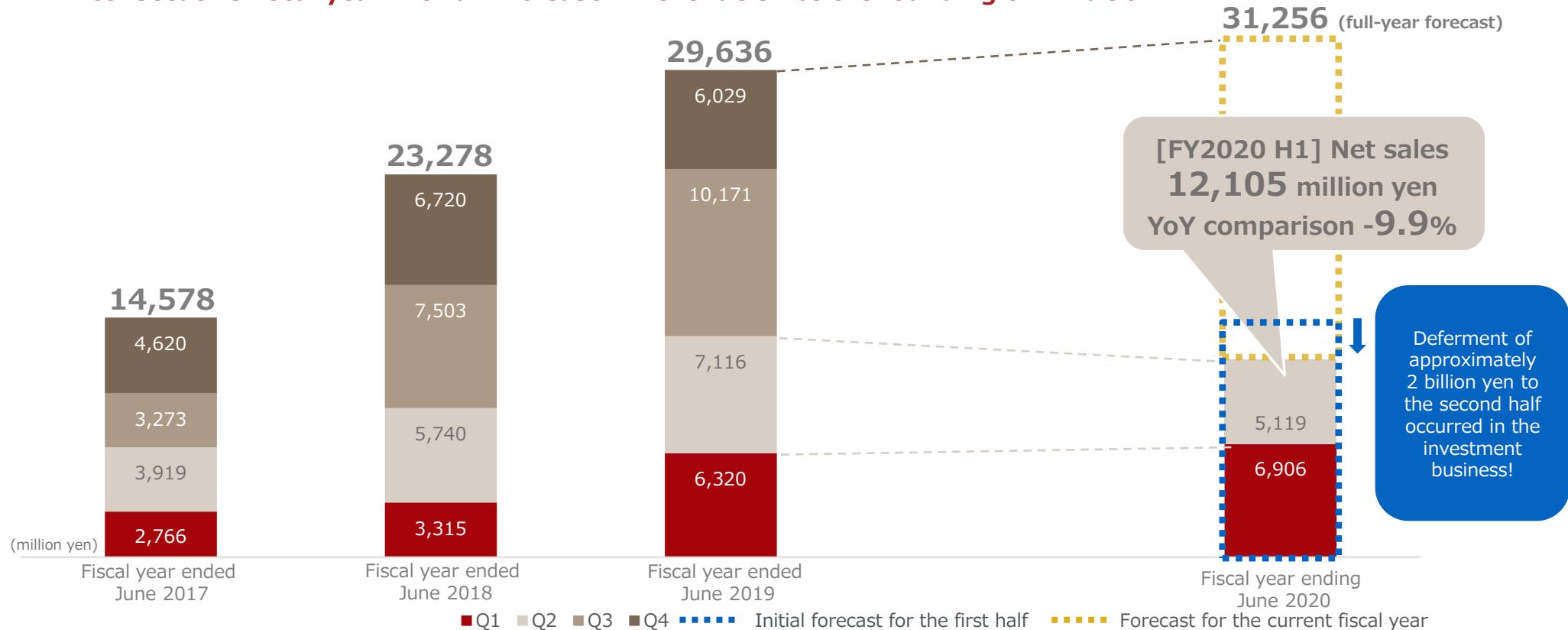
- Net sales **decreased by 8.9% year on year** due to deferment of approximately 2 billion yen in total to the second half in the investment business, which features one newly built property of consolidated subsidiary Veritas Investment and a large project of AMBITION's Investment Department.
- As for operating profit/loss, a **temporary deficit was posted** due to the **deferment of approximately 300 million yen to the second half** in the investment business as well as upfront investment of approximately 220 million yen, an amount slightly above the initial forecast, carried out in the RPA business coupled with approximately 60 million yen of capital investment carried out for systems in the small amounts and short-term insurance business.

(million yen)

	First half of fiscal year ended June 2019 (actual)	First half of fiscal year ending June 2020 (initial forecast)	First half of fiscal year ending June 2020 (actual)	YoY comparison
Net sales	13,436	14,389	12,105	-9.9%
Gross profit from sales	2,671	—	2,041	-23.6%
Selling, general and administrative expenses	2,113	—	2,063	-2.4%
Operating profit/loss	557	327	-21	-
Ordinary profit/loss	483	248	-95	-
Profit/loss attributable to owners of parent	262	143	-137	-

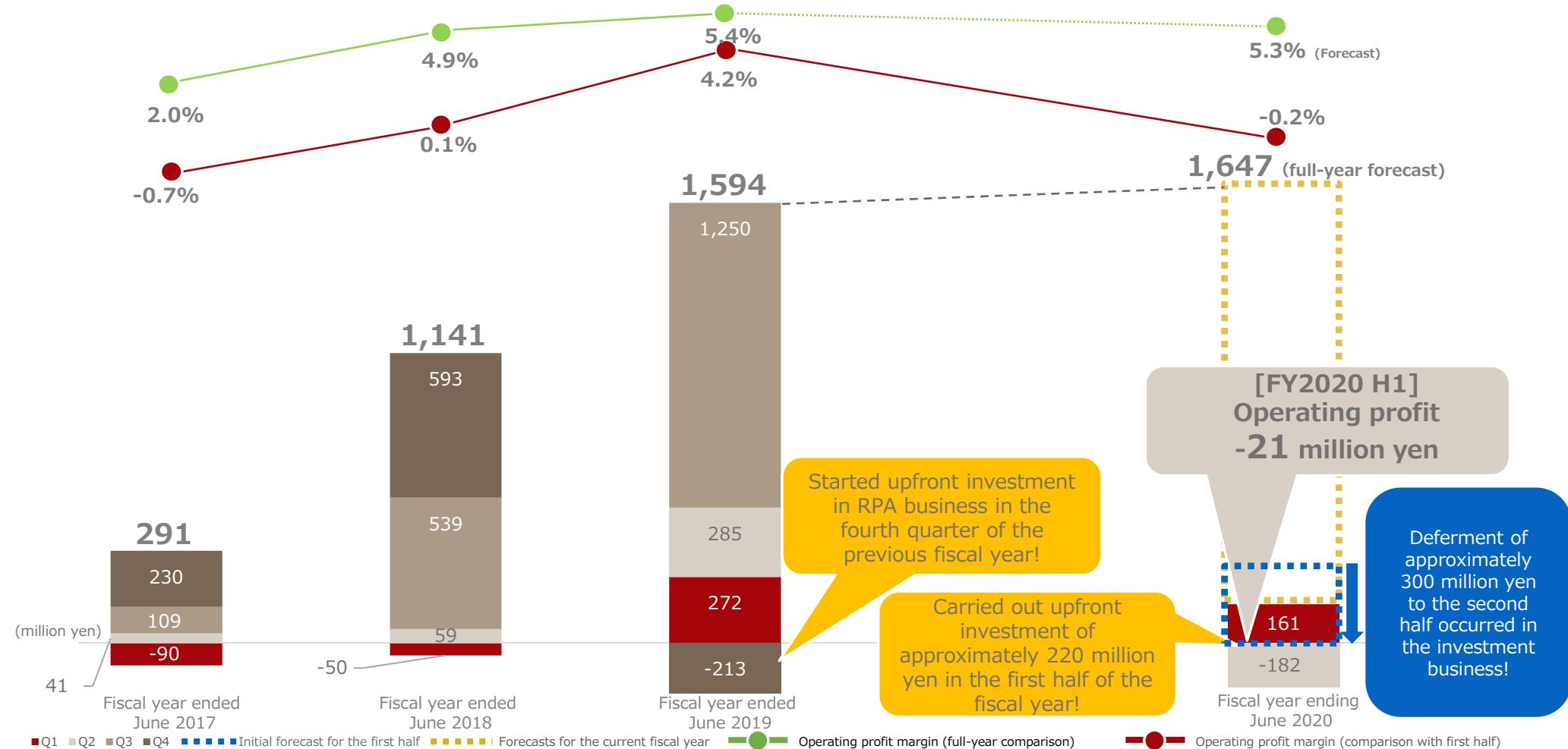
Change in Net Sales (over 4 years)

- Revenue has been increasing every year on a continuous basis since the founding of Ambition.
- It is a common trend for sales to occur disproportionately in the second half of the fiscal year (this is due to our mainstay property management business being a stock business and the peak season for relocation falls in the second half of our fiscal year)
- Although the first half of the fiscal year resulted in year-on-year decrease in net sales, the reason for this is solely the deferment of sales to the second half, and sales for the current fiscal year will occur especially disproportionately in the second half.
- There will be no changes to the full-year forecast, and the current fiscal year is expected to mark the thirteenth consecutive fiscal year with an increase in revenue since the founding of Ambition.



Change in Operating Profit and Operating Profit Margin (over 4 years)

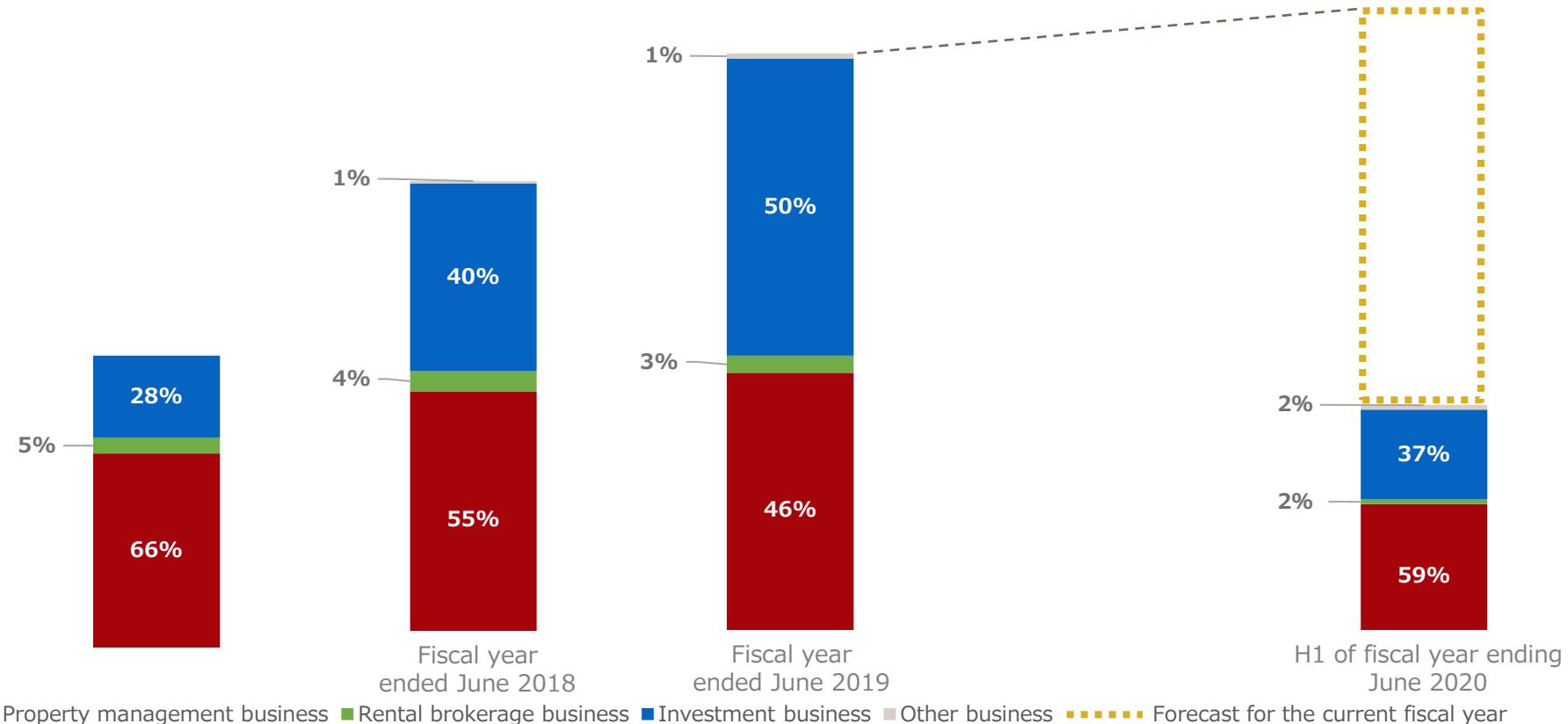
- **It is common for operating profit to have a stronger tendency than net sales to occur disproportionately in the second half of the fiscal year** (this is due to property management and rental brokerage being structured to have profit accumulated along with the increase in the number of contracts concluded)
- Despite the posting of temporary deficit in the first half of the fiscal year due to deferment of profit from high-margin projects in the investment business to the second half and the impact from upfront investment in the RPA business, **the second half of the fiscal year is to have many high-margin projects and recording of profit for the fiscal year is to be extremely disproportionate in the second half.**
- There will be no changes to the full-year forecast and **the current fiscal year** is planned to see an increase in revenue. **Operating profit margin** is forecasted to be secured **a level that is about the same as the previous fiscal year.**



Change in Net Sales by Segment (over 4 years)

- In the previous fiscal year, the investment business saw strong sales for properties developed by Veritas and the sales ratio reached 50%, surpassing that of the property management business. However, **the sales ratio of the property management business** is expected to **return to the top** in the current fiscal year as the number of new deals in the investment business is limited.
- The sales ratio in the first half was 59% for the mainstay property management business, 2% for the rental brokerage business, 37% for the investment business, and 2% for other business.

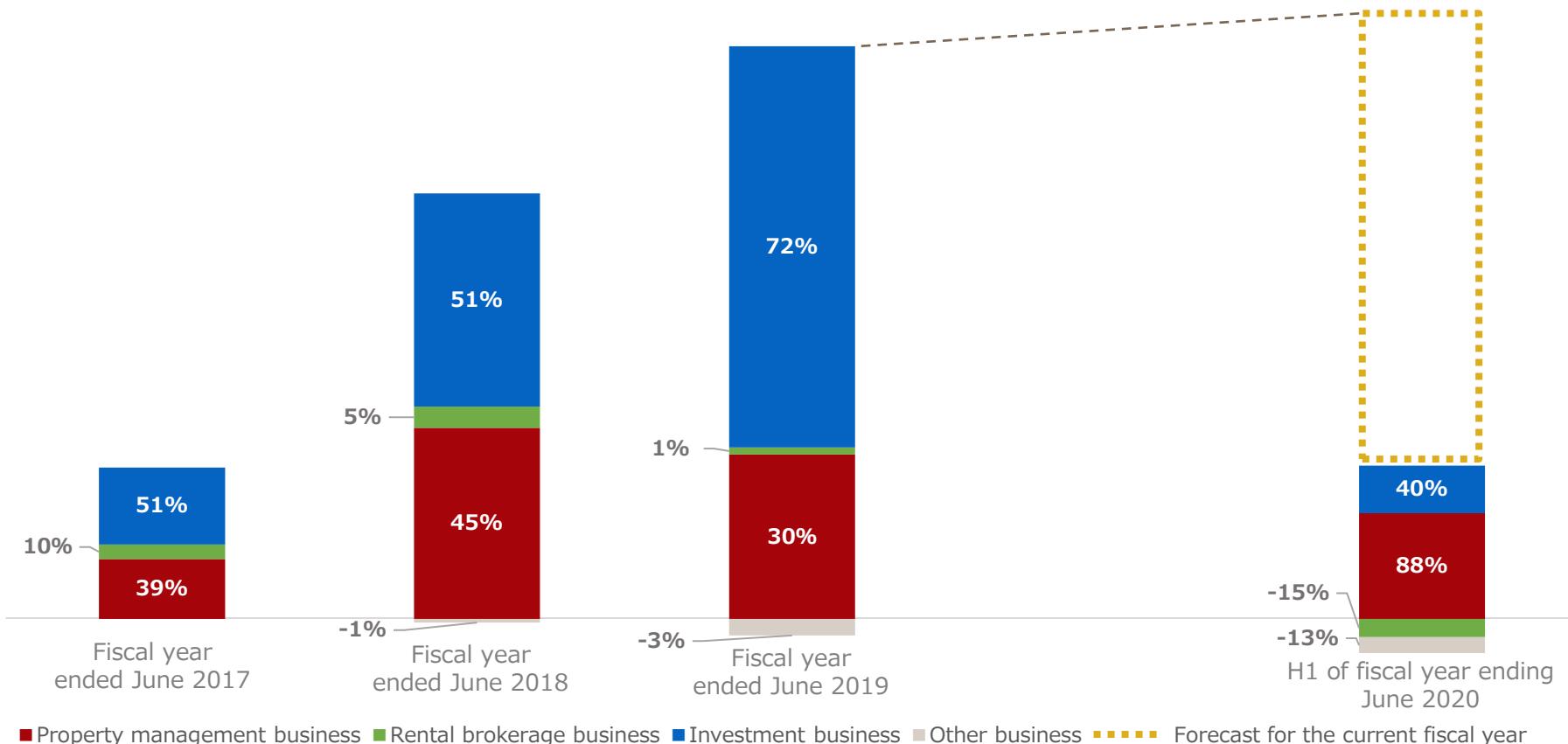
% = ratio by segment



Change in Operating Profit by Segment (over 4 years)

- **As for full-year operating profit through the previous fiscal year, the investment business**, which includes sales of high-margin properties developed by the Group, **tended to account for the largest share**.
- However, **in the first half of fiscal 2020, the property management business accounted** for a much larger share than the **investment business** due to the impact of deferment of profit to the second half, etc. in the investment business.

% = ratio by segment



Consolidated B/S

- **Non-current assets increased** due to acquisition of rental and other real estate.
- **Liabilities increased** due to procurement of development funds for new designer condominiums for investment.

Consolidated B/S Summary

		(million yen)	
	End of fiscal year ended June 2019	End of H1 of fiscal year ending June 2020	YoY change
Current assets	9,807	9,743	-63
Non-current assets	3,840	4,543	702
Deferred assets	10	5	-5
Total assets	13,659	14,292	633
Current liabilities	4,222	6,014	1,791
Non-current liabilities	6,834	5,980	-853
Net assets	2,602	2,297	-305
Total of liabilities and net assets	13,659	14,292	633

03

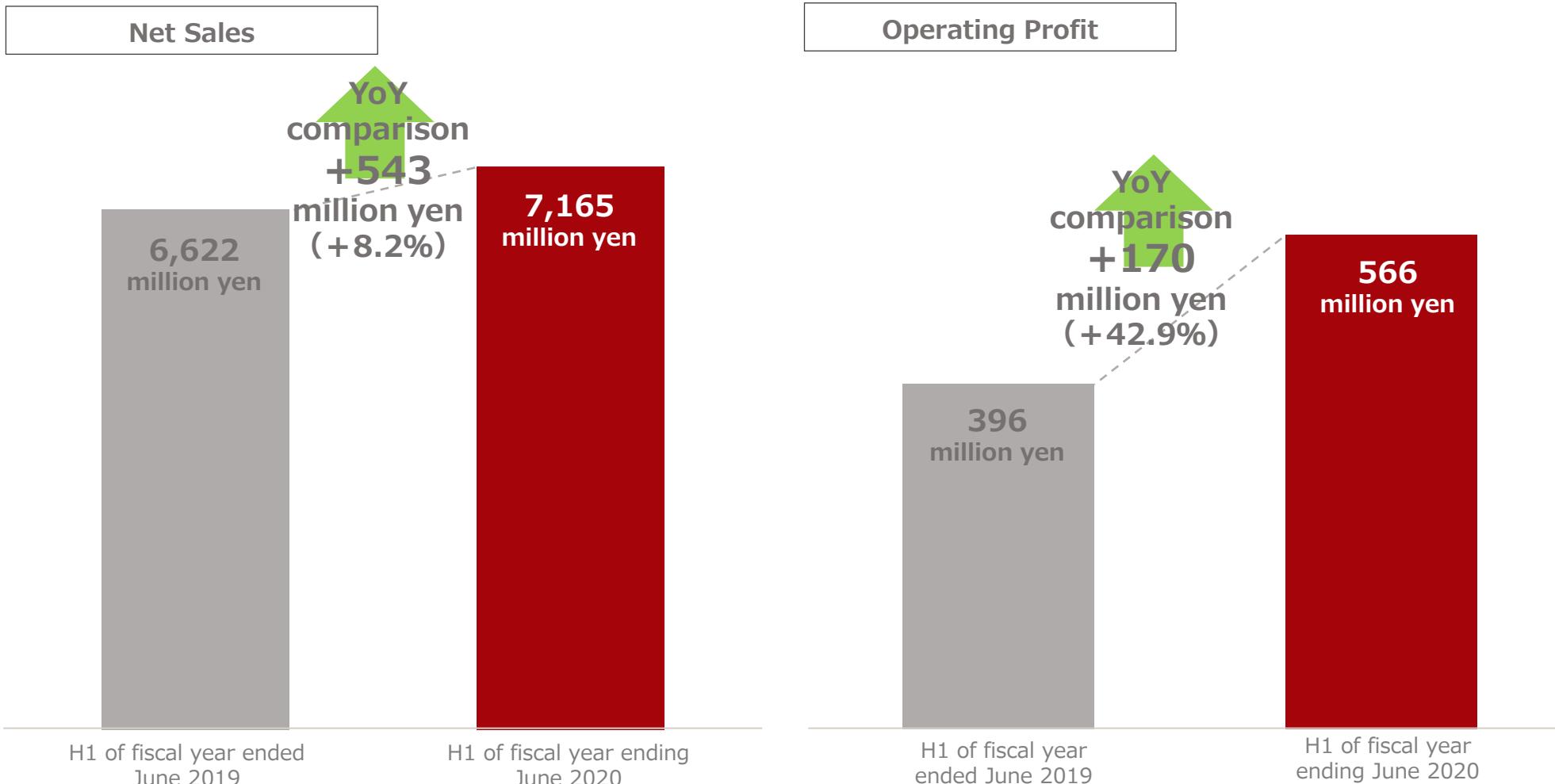
Property Management Business

(mainly engaged in by AMBITION with some engagement by Veritas Investment and VALOR)

Net Sales and Operating Profit by Segment

(Property Management Business)

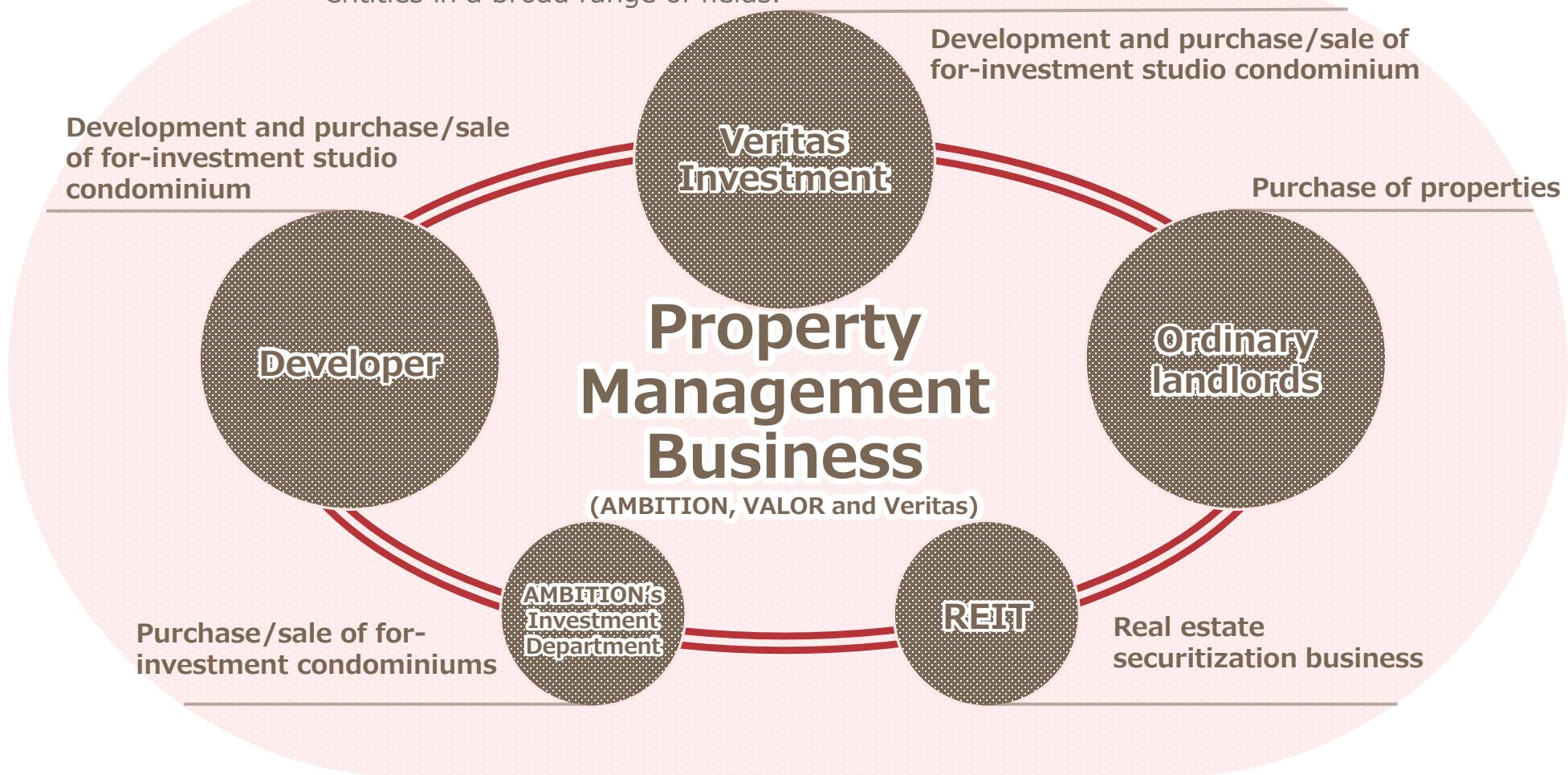
- Net sales of the property management business in the first half **increased by 8.2% year on year** due to increase in the number of managed units and the maintaining of a high move-in ratio.
- Operating profit of the property management business in the first half **increased substantially, up 42.9% year on year** due to improved occupancy rate and increase in profit margin per unit as a result of rise in market rent.



Property Management Business

Construct business scheme for stable acquisition of properties to self-manage

- [Inside the Group] Acquire properties mainly from consolidated subsidiary Veritas Investment as well as AMBITION's Investment Department.
- [Outside the Group] AMBITION is well received for its leasing capability, and is supplied with properties from entities in a broad range of fields.



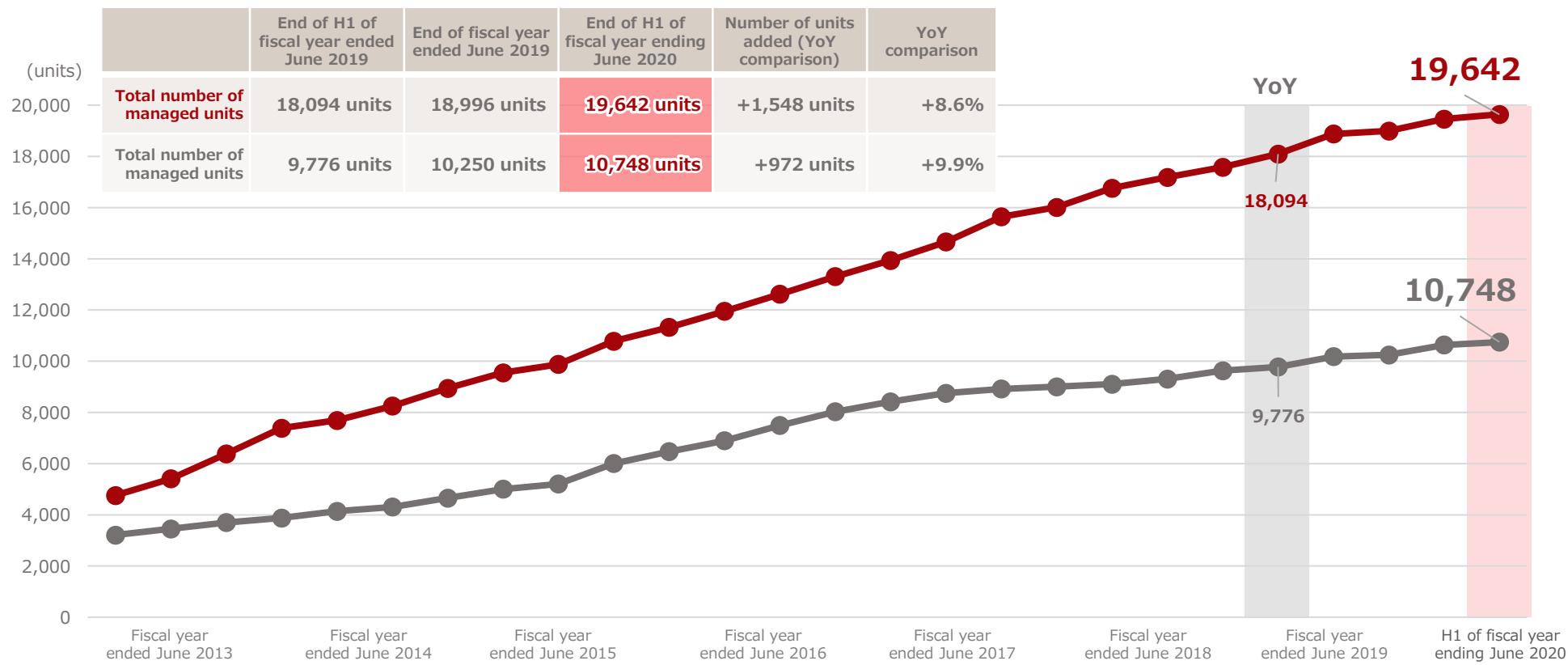
Strength of Property Management Business: Steady Increase in the Number of Managed Units

Ambition has developed **the property management business as its core business** since **its foundation in September 2007**.

While real estate sales transactions 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.

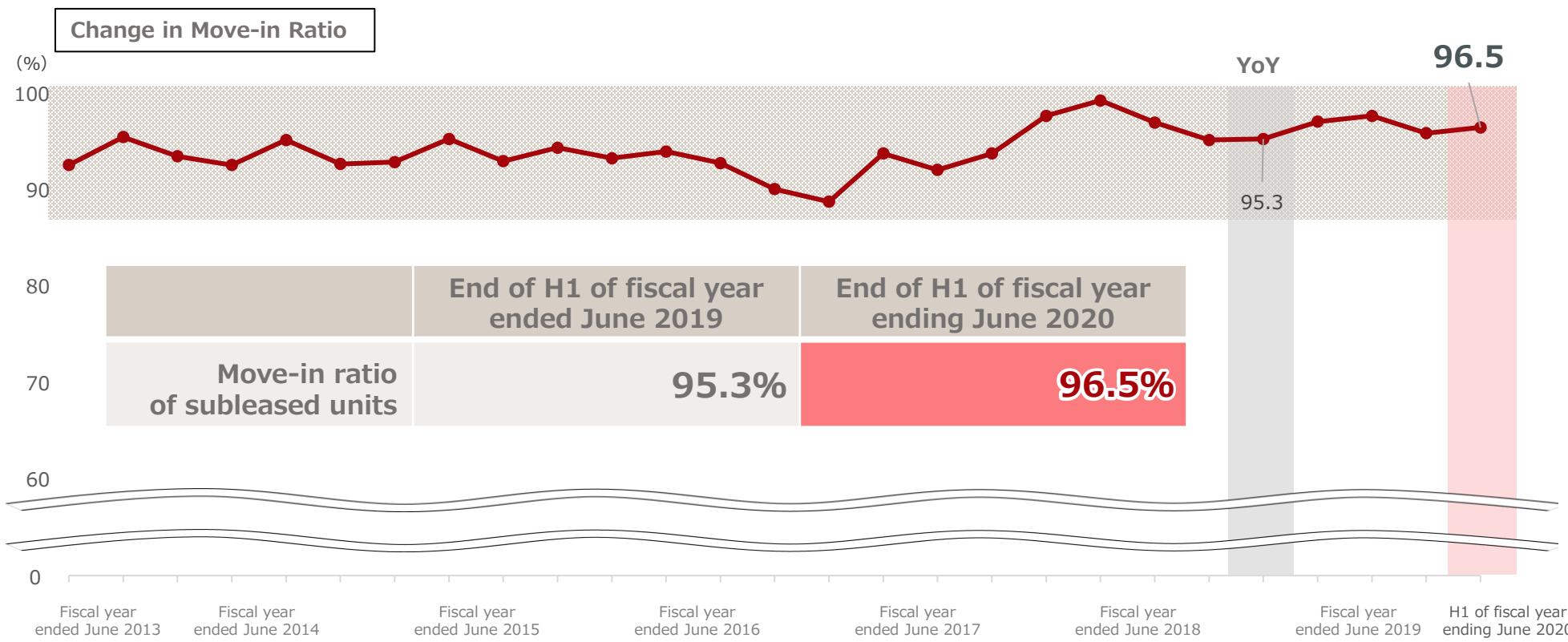
Change in Managed Units and Sublease Management Units



Strength of Property Management Business: Maintaining a High Move-in Ratio

Ambition maintains a **high move-in ratio for the industry** by owning several quality properties such as designer condominiums mainly in the 23 wards of Tokyo, which sees high demand, as well as by operating a rental brokerage business within the Group.

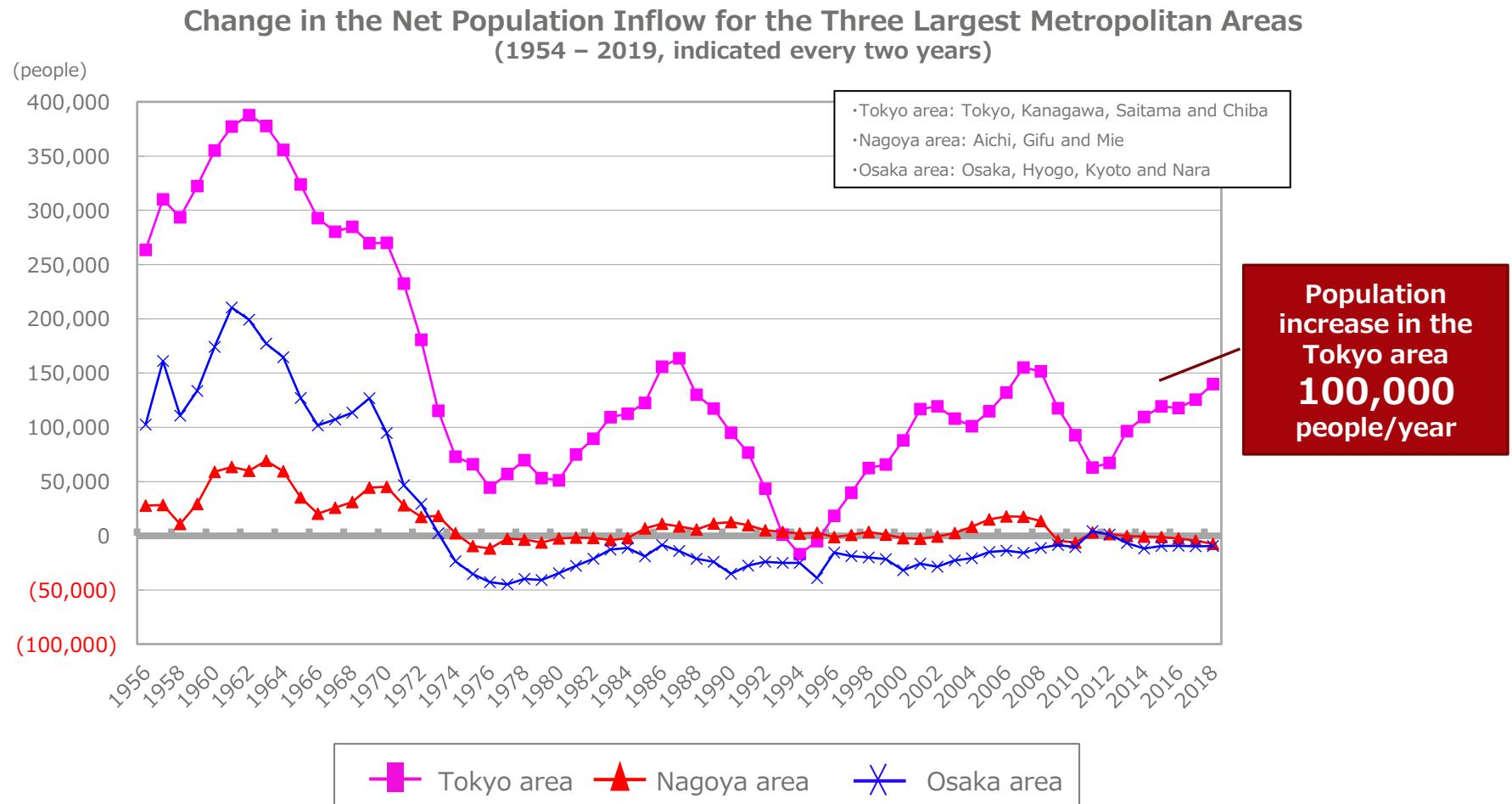
- Managed properties: Mainly quality condominiums such as designer condominiums
- Area: Concentrated in Tokyo (mainly in the 23 wards) + Kanagawa, Chiba and Saitama prefectures
- Target group: Mainly young demographic



Property Management Business

- With net inflow for 24 consecutive years, the Tokyo area has experienced steady population growth.
- The Nagoya area and the Osaka area have experienced net outflow for 7 consecutive years.

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

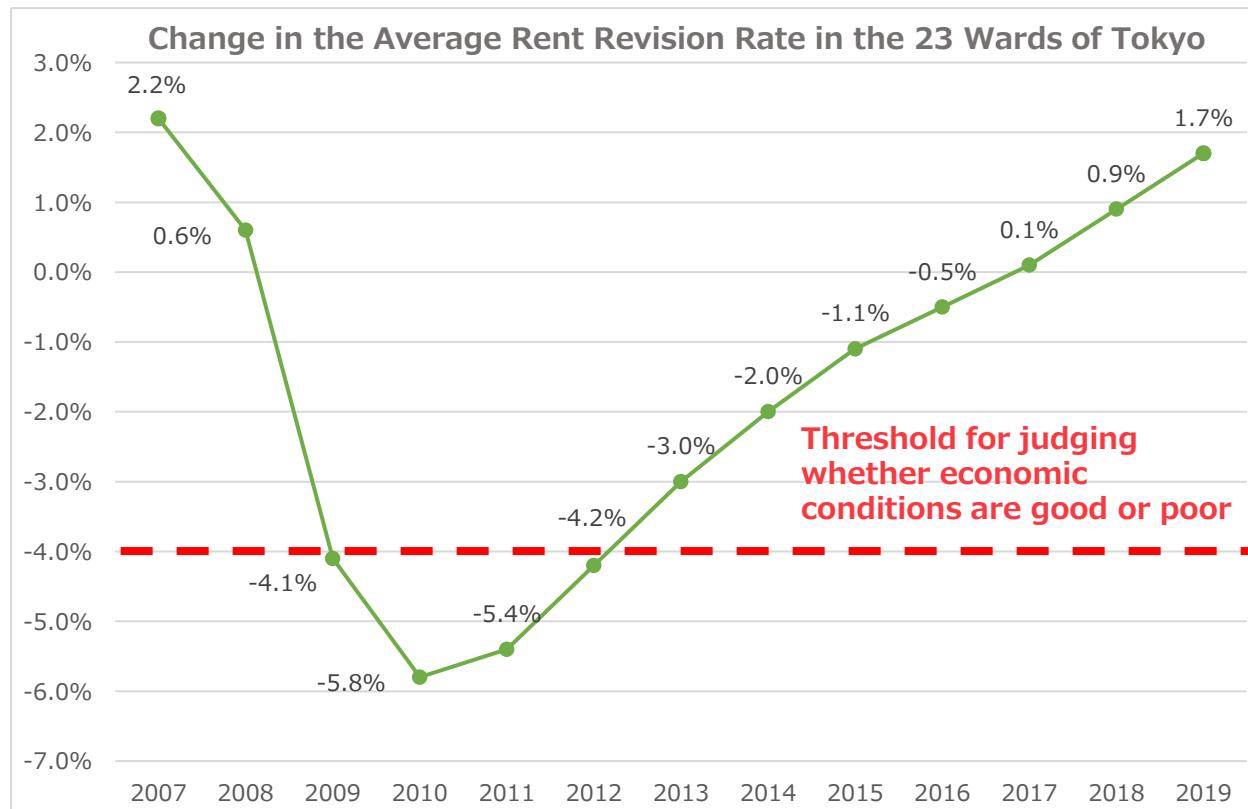


(Source) Report on Internal Migration in Japan

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 in the 23 wards of Tokyo continues to be on a downward trend while demand for properties keeps growing.



The rent revision rate normally falls by around 1% as buildings become one year older. However, this fluctuates depending on the supply-demand balance.

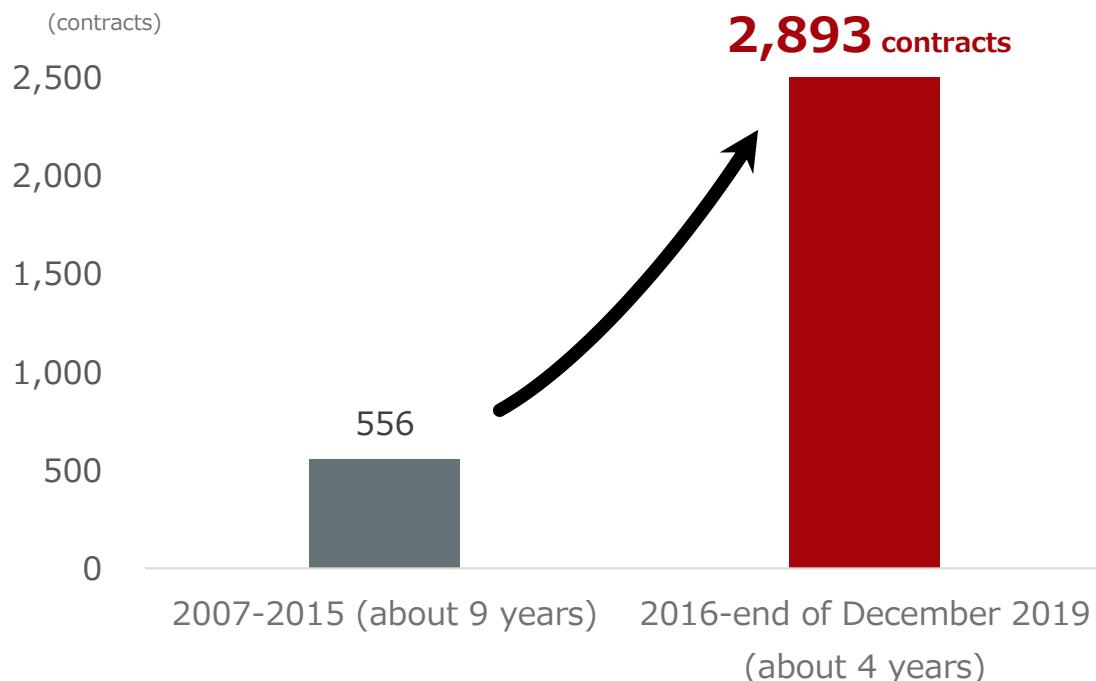
(Source) Style Act

Property Management Business

Enhancing preparation of living environments for foreign workers eyeing the new visa system that came into effect in April 2019

- **Foreign residents account for as much as 9.1% of residents** in the 19,642 units managed by Ambition.
- The most recent cumulative number of contracts by foreign nationals totaled 2,893, a sharp increase of more than fivefold from 2015.

Number of Contracts by Foreign Nationals among Units Managed by AMBITION



Foreign Population in Japan

As of June 2019

2,829,000 people
(Approximately 2.2% of total population)

+192,000 people
 from the previous year (Note)

(Note) Survey by the Ministry of Justice

Demand for private lodging (*minpaku*) is growing towards the Tokyo Olympic Games

Shortage of hotel guest rooms is assumed to occur as **the number of foreign tourists vising Japan increase** towards the Tokyo Olympic Games to be held this year.

Therefore, AMBITION's *minpaku* properties have **already received a large number of reservations for the period of the Tokyo Olympic Games.**

『C'est joli IKEGAMI』

In January 2020 (3Q), received "Traveller Review Awards 2020" presented by "Booking.com™," one of the world's largest online hotel reservation sites.



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

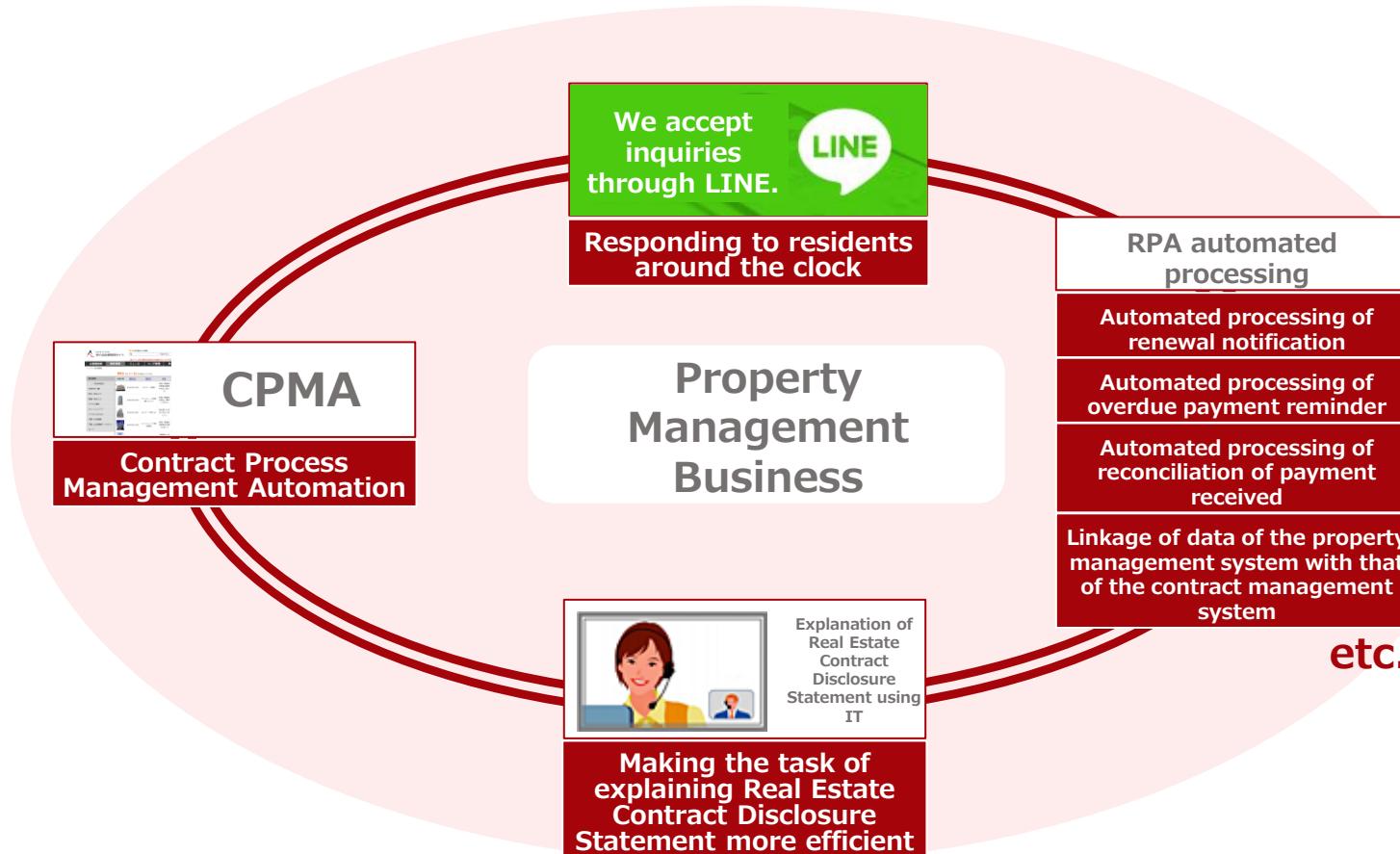
Two designer *minpaku* buildings are in operation and are well-received!

In addition, three **&AND HOSTEL** buildings are also in operation under the investment business!

"Traveller Review Awards 2020"
Received award for the **third time**



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



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

50 units/person

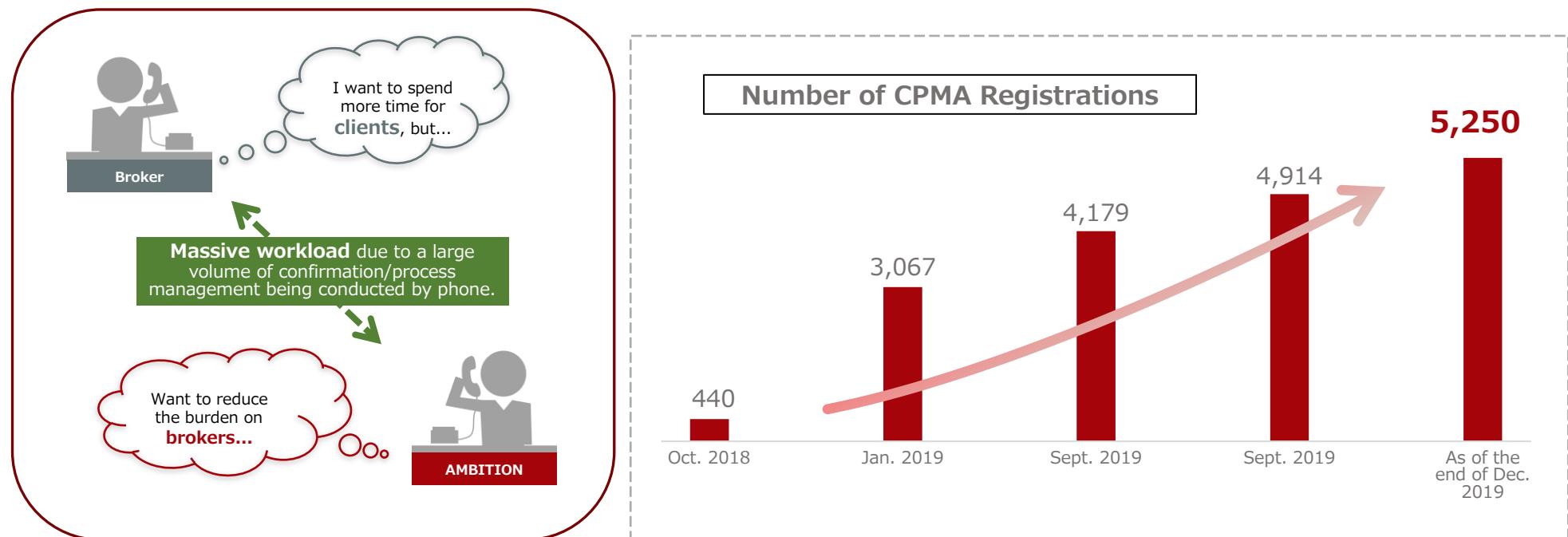
When AMBITION carries out the management business:

250 units/person

Property Management Business

Aim to improve efficiency of making contact with brokers with the introduction of “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. It is currently used by many brokers every month and is well received.



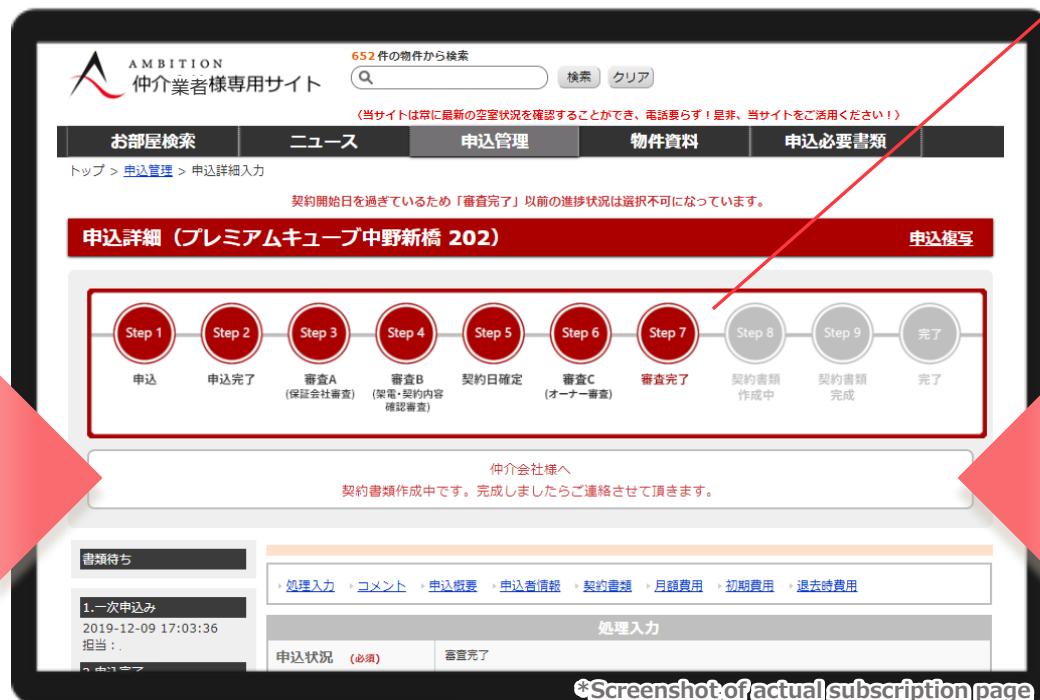
Property Management Business

“Visualize” on the screen of web browsers in an easy-to-understand manner with the introduction “CPMA”

- Unified management of vacancy confirmation, property viewing and contract process management on the website
- “Enhancement of customer satisfaction” by spending more time for clients
- Realization of work-style reform

“CPMA,” an exclusive website for brokers

Screening status is shown here!



AMBITION



Brokers

The property management business strives to improve customer satisfaction by introducing a series of new services **to enhance customer convenience.**



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.



Payment for duplicating keys, etc. through smartphones is becoming more frequent, centering on young people.



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 belonging to 41 brands.



Introduction of new ways to provide the service such as an "all-you-can-choose furniture/home appliances package" is also under consideration.



An-Toku Relocation Service



In **August 2019 (1Q)**, we launched a service which offers lower relocation charges by reducing items upon relocation through purchase of disused items that are found when packing.



It is steadily producing a result since the launch of the service, and the number of users is expected to grow along with the increase in the number of managed units.

04

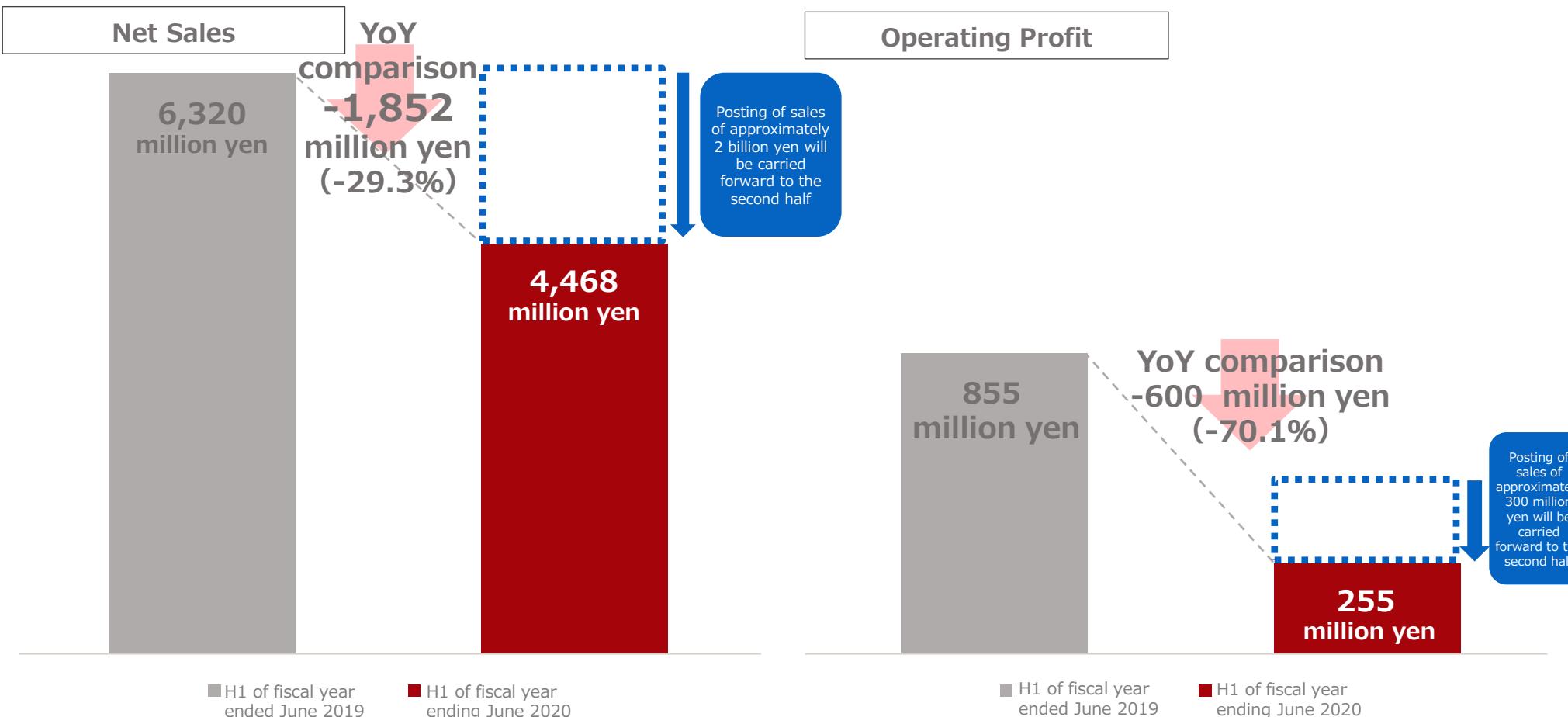
Investment Business

(mainly engaged in by Veritas Investment with some engagement by AMBITION's Investment Department)

Net Sales and Operating Profit by Segment

(Investment Business)

- Net sales of the investment business in the first half of the fiscal year **decreased by 29.3% year on year** due to Veritas experiencing deferral of sales from one newly built property it developed to the second half + many sales of used properties, while AMBITION's Investment Department also experienced deferral of sales from a large project to the second half.
- Operating profit of the investment business in the first half of the fiscal year **decreased substantially, down 70.1% year on year** due to decrease in gross margin ratio as there was increase in sales of used properties while sales of newly built properties centered on those developed by other companies. (Sales of newly built properties with high gross margin ratio will be deferred to the second half.)





Favorable condominium sales by Veritas

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

The favorable sales of our consolidated subsidiary Veritas Investment's new designer condominiums for investment are contributing 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 risk by realizing "**high rent x high occupancy rate = high return.**"



VERITAS INVESTMENT	
H1 of the fiscal year ending June 2020 (actual) (Result of investment business of Veritas alone)	
Net sales	3.76 billion yen
Number of units where settlement completed	125 units



Posting of sales of "PREMIUM CUBE Yoyogi-Uehara," a new designer condominium for investment developed by Veritas, will be carried forward to the second half!

(Note) Images are renderings created based on engineering drawings and may differ from actual buildings.

“NEW DESIGNER CONDOMINIUMS FOR INVESTMENT” CONTINUE TO BE SOLD OUT AT AN EARLY STAGE AFTER THE LAUNCH OF SALES

[FY2020 H1]: The number of new properties developed by the Group is limited and many were used properties.

[FY2020 H2]: All properties will be “new properties developed by the Group”!

One will be “a large property”!

→ In the current fiscal year, there is a large difference in properties targeted for sales in the first half and the second half, and **even the number of supplying units are centered in the second half of the fiscal year.**

Posted in net sales for [H1] of fiscal year ending June 2020

*With many other sales of used properties

PC Musashi Nitta



CY Senzoku

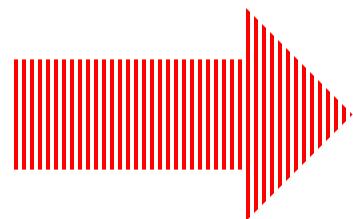


TPCG Shiomi



New property developed by the Group

Posting of sales will be carried forward to the second half



To be posted in net sales for [H2] of fiscal year ending June 2020

???

New property developed by the Group

To be announced

THE PREMIUM CUBE G Osaki

New property developed by the Group Large property



Brisk sales

PREMIUM CUBE Yoyogi-Uehara

New property developed by the Group

Sold out at an early stage

PREMIUM CUBE Nishi-Ojima

New property developed by the Group



Sold out at an early stage

(Note) Images are renderings created based on engineering drawings and may differ from actual buildings.

Investment Business (AMBITION's Investment Department)

INVESTMENT DEPARTMENT OF THE MAIN UNIT AMBITION EXCELS IN "MAXIMIZATION OF VALUE" OF USED PROPERTIES!

[Business]

- <Used> Renovation/resale of for-sale condominiums
- <New> Sale of entire condominium buildings
- Real estate brokerage business

AMBITION's Investment Department purchases used condominiums with a focus on "location," and sells them to end users and investors after "increasing the value."



We plan to pursue synergy across the entire Ambition Group through continuous development of appealing properties in the premium areas of the Tokyo metropolitan area.

Posting of sales will be carried forward in AMBITION's Investment Department as well

In addition to Veritas, AMBITION's Investment Department also experienced delay in completion of properties. Posting of sales of **some large properties will be carried forward to the second half**, making sales of AMBITION's Investment Department for the current fiscal year especially disproportionately in the second half of the fiscal year.

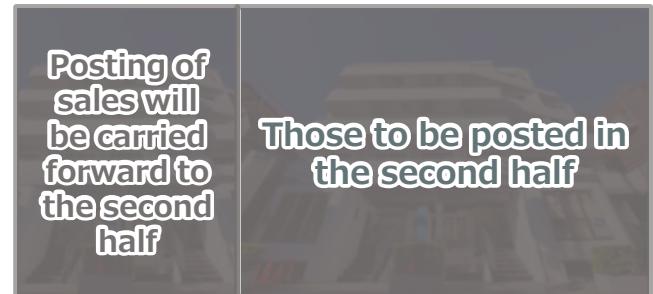
[H1] of fiscal year ending June 2020



Image of posting net sales

Large properties

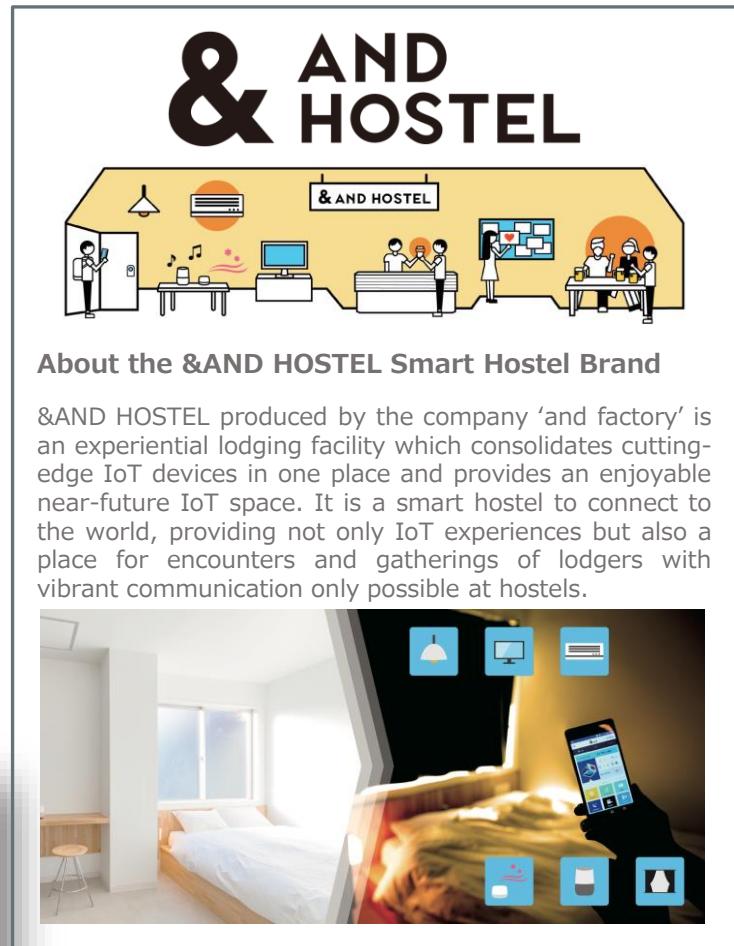
[H2] of fiscal year ending June 2020



Promoting Business with &AND HOSTEL

In August 2019 (Q1), we concluded a sublease agreement for **&AND HOSTEL HOMMACHI EAST**, a youth hostel that incorporates IoT. Similar to **&AND HOSTEL ASAKUSA** and **&AND HOSTEL KANDA**, it is well received as a smart hostel connecting to the world.

Towards the hosting of the **Tokyo Olympic Games**, two hostels in the **Tokyo area** are expected to enjoy **special demand**.



NEW

■ November 25, 2019 (Q2)

Obtained permission for specified joint real estate ventures

Obtained permission for specified joint real estate ventures for a new business under investment business which conducts developments and sales of real estate properties.

■ January 14, 2020 (Q3)

Launched website of "Afunding" and commenced solicitation of funds for first project

Launched website of "Afunding," a crowd-funding service for real estate investment, and began accepting registration from investors along with reception of applications for investing in "Sagami-Ono Heights," Afunding's first project.

*Reception of applications ended on February 10. Can apply with smartphone!



■ December 24, 2019 (Q2)

Agreed to form a business partnership with BuySell Technologies

In order to contribute to building a society where "no unnecessary real estate exists," we agreed to form a business partnership with BuySell Technologies engaged in internet-type reuse business.

- Ambition's **investment business** will purchase real estate properties owned by individuals through Buysell, perform **renovation work**, and **resell the used properties**
- Purchase real estate properties through **crowdfunding as a specified joint real estate venture** business, a new business under Ambition's investment business, and provide them in the form of **small-lot instruments for real estate investment**.



05

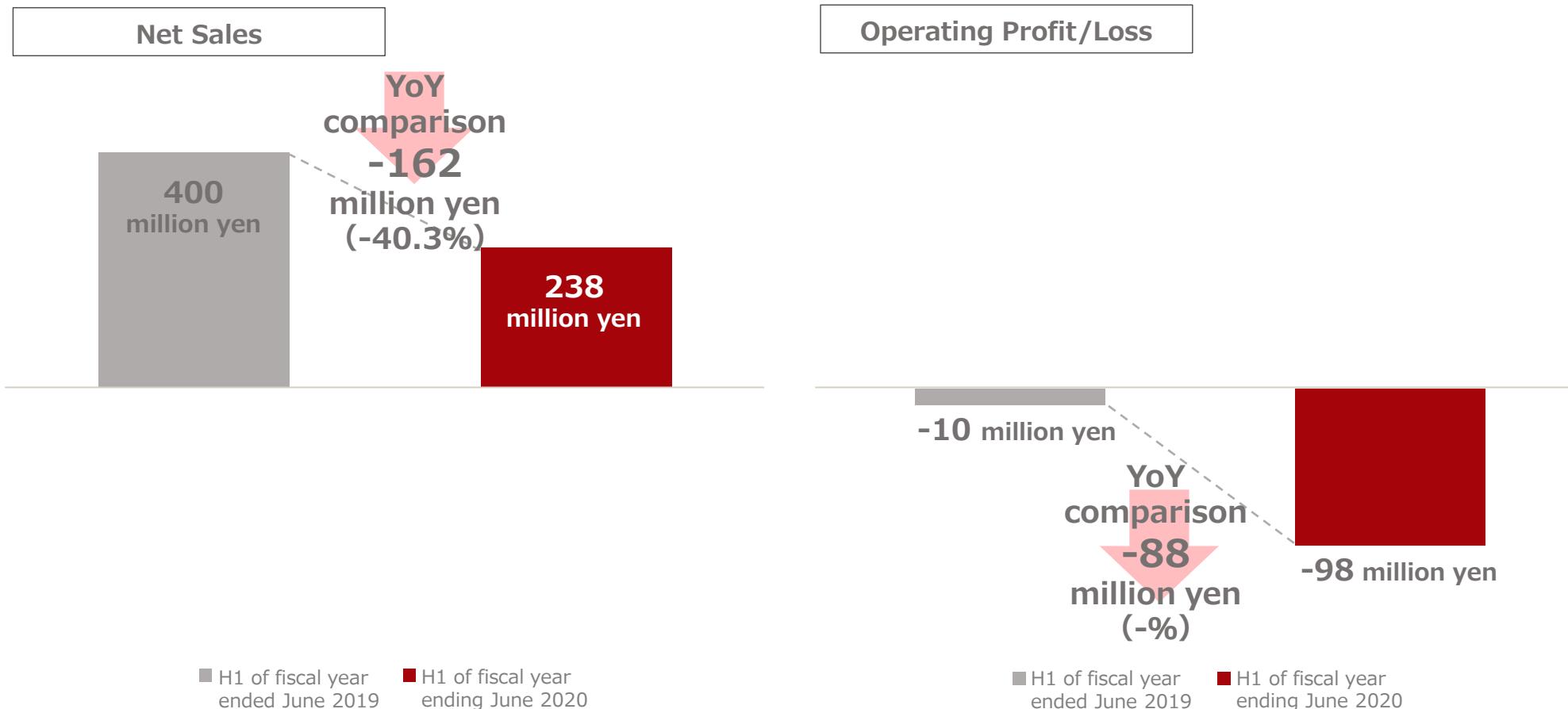
Rental Brokerage Business

(in addition to Ambition ROOMPIA and VALOR engaged in the business,
Ambition Rent and Ambition Partner are established as new firms in Q1)

Net Sales and Operating Profit by Segment

(Rental Brokerage Business)

- Net sales of the rental brokerage business in the first half of the fiscal year **decreased by 40.3% year on year** alongside **strategic shop closures** (Ambition is changing its area of focus by taking into consideration the recent trend of attracting customers through websites rather than brick-and-mortar stores: **19 stores at the end of the first half of the previous fiscal year → 12 stores at the end of the first half of the current fiscal year.**)
- Operating loss of the rental brokerage business in the first half of the fiscal year **increased, but within the scope planned**. (Already went through phased store closure from the previous fiscal year to the first half of the current fiscal year and the results of the business are expected to recover starting from the second half)



Rental Brokerage Business (Ambition ROOMPIA and VALOR)

- We listen closely to the wants and concerns of customers when they visit our stores and introduce the ideal room.
- Some of our staff at VALOR will also approach property owners and acquire properties to be newly managed by us.
- Although Ambition reduced the number of stores in line with the trend of mainly attracting customers through websites, **Ambition has an advantage in leasing capabilities of its brick-and-mortar stores, which contributes to maintaining a high occupancy rate in the property management business.**



-Direct Brokering-
 The business is supported
 by six ROOMPIA stores and six VALOR stores



In July 2019 (Q1), Ambition established through a part of its rental brokerage business **Ambition Rent Co., Ltd. (for students)** and **Ambition Partner Co., Ltd. (for companies)** by means of a company split with an aim to realign business.

The companies strive to enhance customer satisfaction by **responding smoothly** to customers **in a more efficient manner**.

For students



Established Ambition Rent Co., Ltd.

Ambition Rent Co., Ltd. was established as a spin-off company of the Student Division of Ambition ROOMPIA Co., Ltd. While its main business is to find rooms for Japanese students from which demand has grown in recent years, since **August 2019 (Q1)**, it also aims to enhance services by providing room searches for international students through a "business partnership with a Chinese company Uhomes."

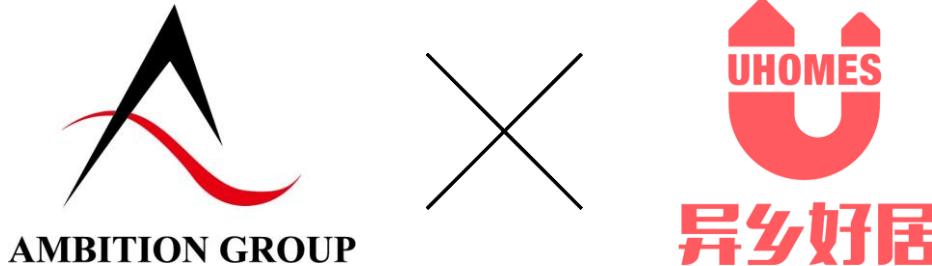
For companies



Established Ambition Partner Co., Ltd.

Ambition Partner Co., Ltd. was established as a spin-off company of the Corporate Division of Ambition ROOMPIA Co., Ltd. It is engaged in BtoB business and supporting employees of partner companies in finding their rooms. It contributes to enhancing employee satisfaction through introducing favorable properties in line with company housing rules of respective companies.

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



In **August 2019 (Q1)**, Ambition Rent Co., Ltd., Ambition's consolidated subsidiary, agreed with Uhouzz Network Technology Co., Ltd., a Chinese company involved in the accommodation brokerage business for international students (brand name: Uhomes; hereinafter, referred to as "Uhomes"), to form a business partnership.

Uhomes is a leading Chinese company involved in the 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.

Leveraging the opportunity provided through this partnership, Ambition Rent introduces properties to students studying in Japan based on Uhomes' real estate information website for Chinese students studying abroad and concludes contracts.



The number of contracts has steadily grown after forming the business partnership.

Ambition Rent is currently introducing properties to international students for their entry into universities in April.

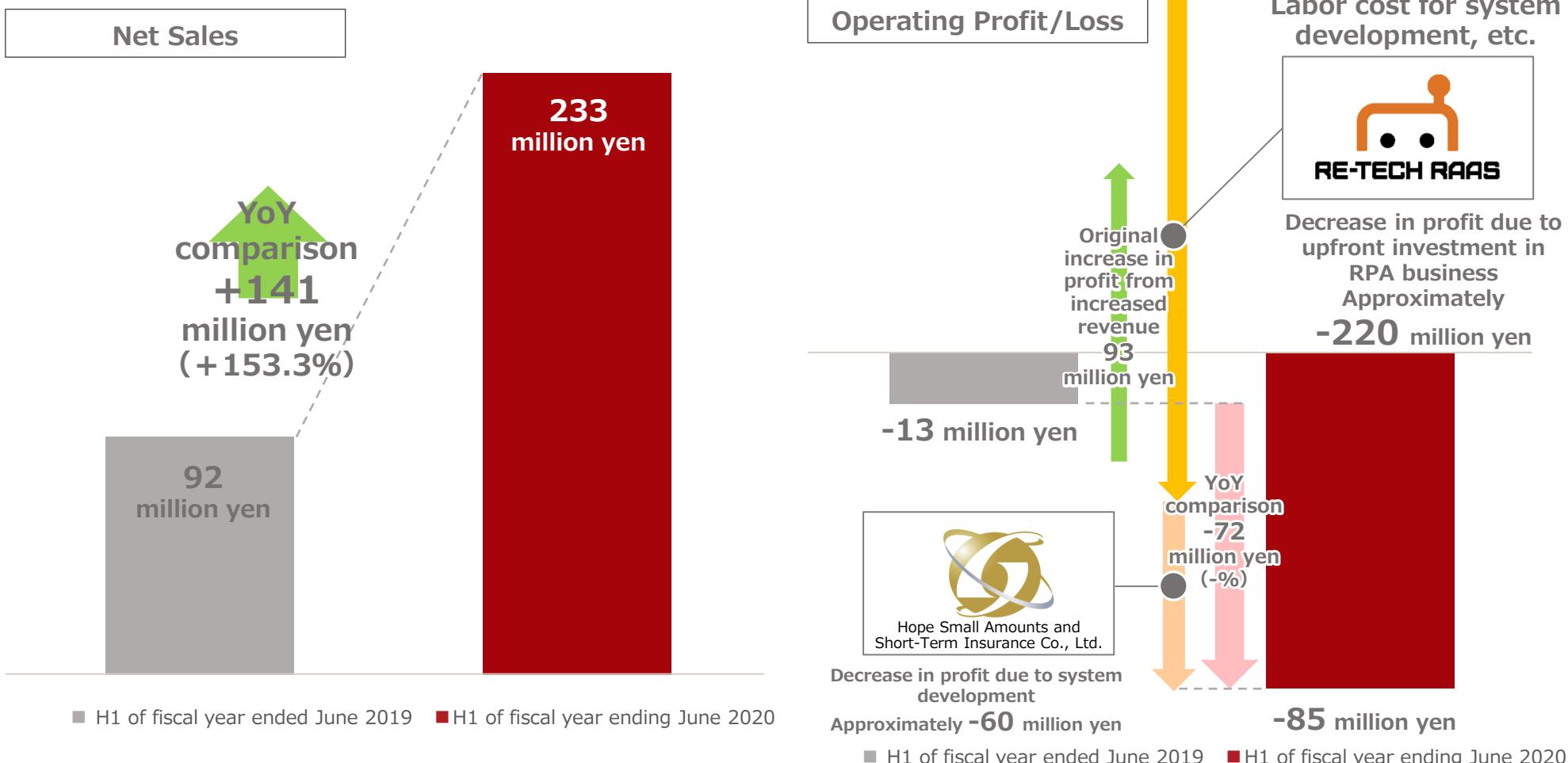
06

Other Business

- Real Estate Tech Business
(established a new company Re-Tech RaaS in Q1 in addition to RPA Retech Lab engaging in the business)
- Small Amounts and Short-Term Insurance Business (Hope)
- Overseas System Business (Ambition Vietnam)

Net Sales and Operating Profit by Segment (Other Business)

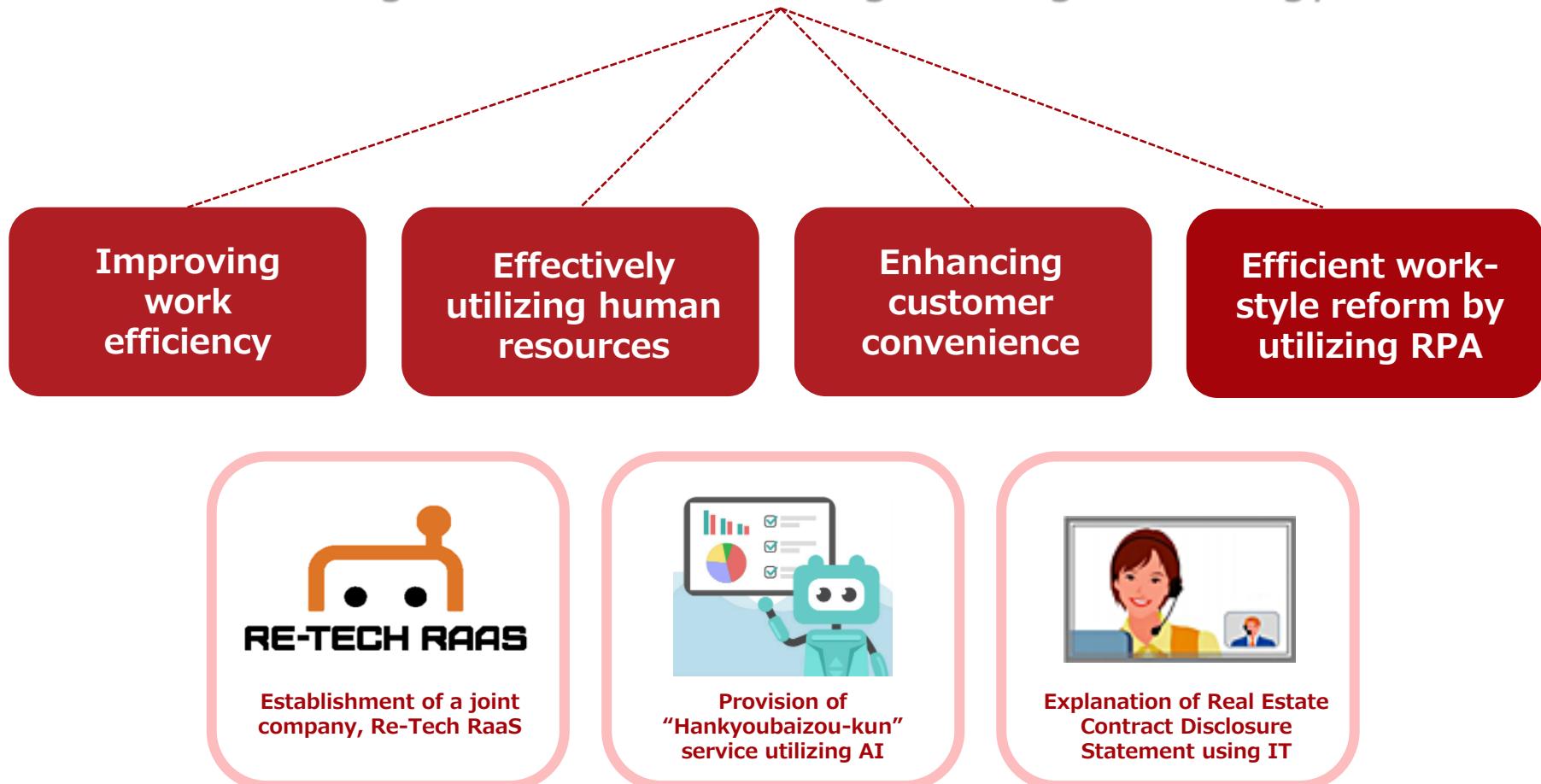
- Net sales of the other business in the first half of the fiscal year **increased substantially, up 2.5 times year on year** with new contracts for small amounts and short-term insurance.
- Operating loss of the other business in the first half of the fiscal year **increased due to the impact of upfront investment in the RPA business (approximately 220 million yen) and investment for systems in the small amounts and short-term insurance business (approximately 60 million yen)**. (Proactive upfront investment in the RPA business is scheduled to be carried out in the second half as well as Ambition believes the RPA business will be the new growth driver that enables rapid growth of business performance in the next fiscal year and after.)



Other: Real Estate Tech Business

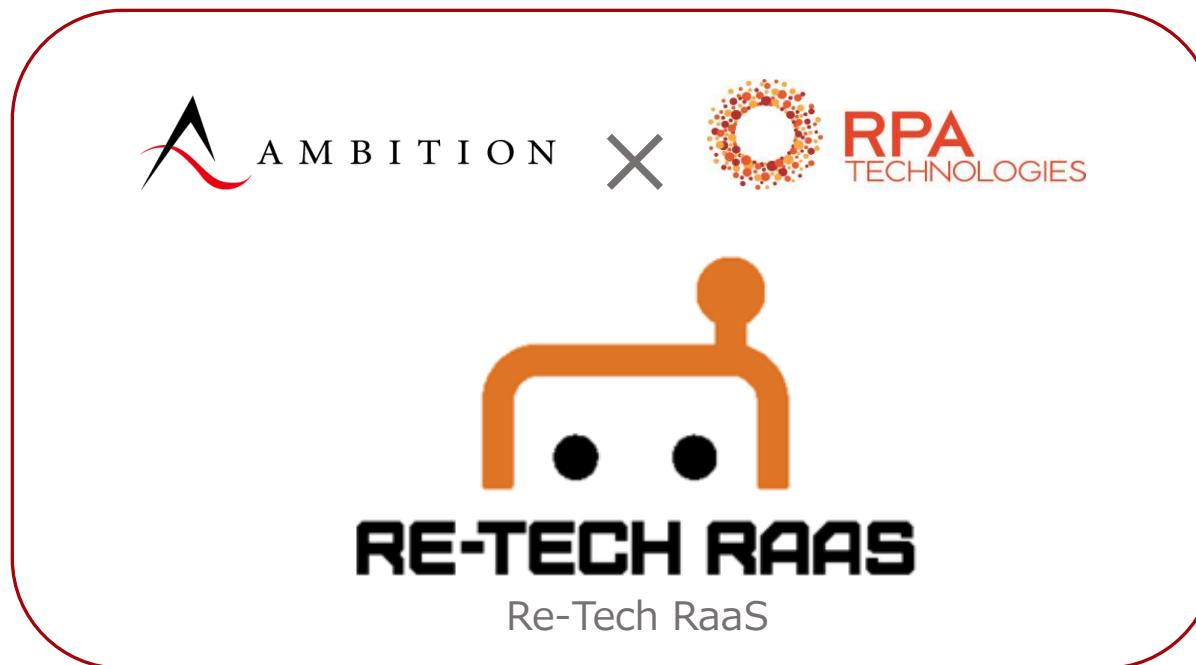
Ambition is carrying out **proactive upfront investment** in order to expand its real estate tech business.
(Assumed amount of upfront investment to be made in the current fiscal year: around 500 million yen; invested approximately 220 million yen in the first half)

Creating the future of housing utilizing technology



Proactive upfront investment being made in the current fiscal year!

Re-Tech RaaS Inc., a joint company of Ambition and RPA Technologies, was established in **July 2019 (Q1)** as a company to develop and sell RPA for real estate companies.

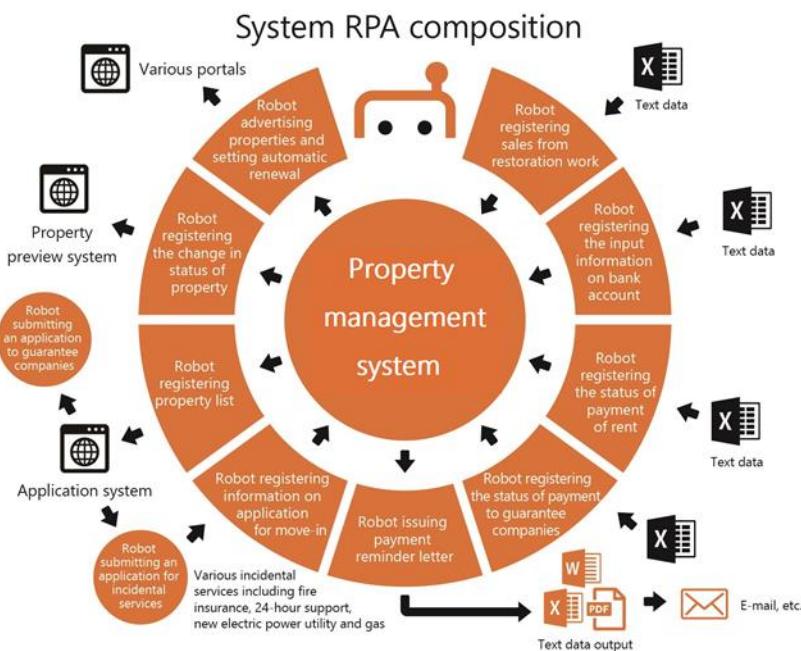


Re-Tech RaaS is a coined phrase formed by blending the terms "**Real Estate**," "**Technology**," "**Robots**," and "**Software as a Service**" and **has a meaning** of "network-type service enabled by utilizing robots in a way only a real estate tech firm can do."

To be a savior for the labor-intensive real estate industry!



× RPA × BPO = Improved Work Efficiency!



The number of companies operating in the building lots and building transaction business in Japan is 124,430 (Note). About 95% of these companies have 10 or less employees.

With shorter working hours required by the work-style reforms the Japanese government is promoting, the need for improving work efficiency is on the rise.

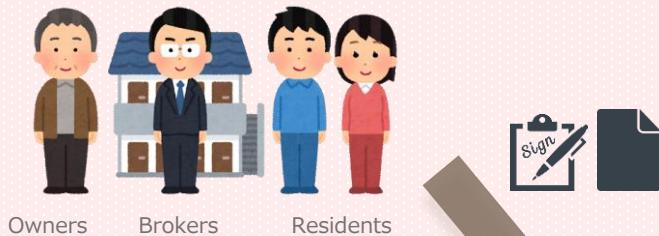
In order to accommodate such needs, we established Re-Tech RaaS together with RPA Technologies Inc. We formed a business partnership with a property management software company and are selling **"Rakutech" RPA + BPO packages** for improving work efficiency of real estate business operators.

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

Introducing our RPA system leads to progress in business growth!

Improvement in work efficiency can be expected as employees can focus on core jobs.

Re-Tech RaaS Business Model



Cumbersome exchange of massive amount of papers and documents



Introduce
"Rakutech"



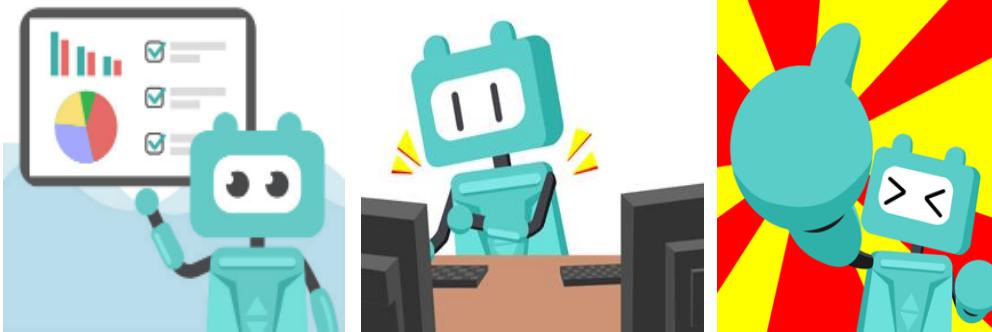
Focus on core jobs and make progress in business growth

Cumbersome data input and output

What is "Rakutech" ?

Rakutech is a service that takes care of input operations, the non-core jobs (simple data input operations, etc.) of real estate companies, by using RPA and BPO.

“Hankyoubaizou-kun”



**AI-based robot to forecast inquiries
to rental properties**

What is “Hankyoubaizou-kun”?

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

When “Hankyoubaizou-kun” is used...

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

“Hankyoubaizou-kun” is gaining favorable reputation as a robot that improves work efficiency and grasps customers’ needs.

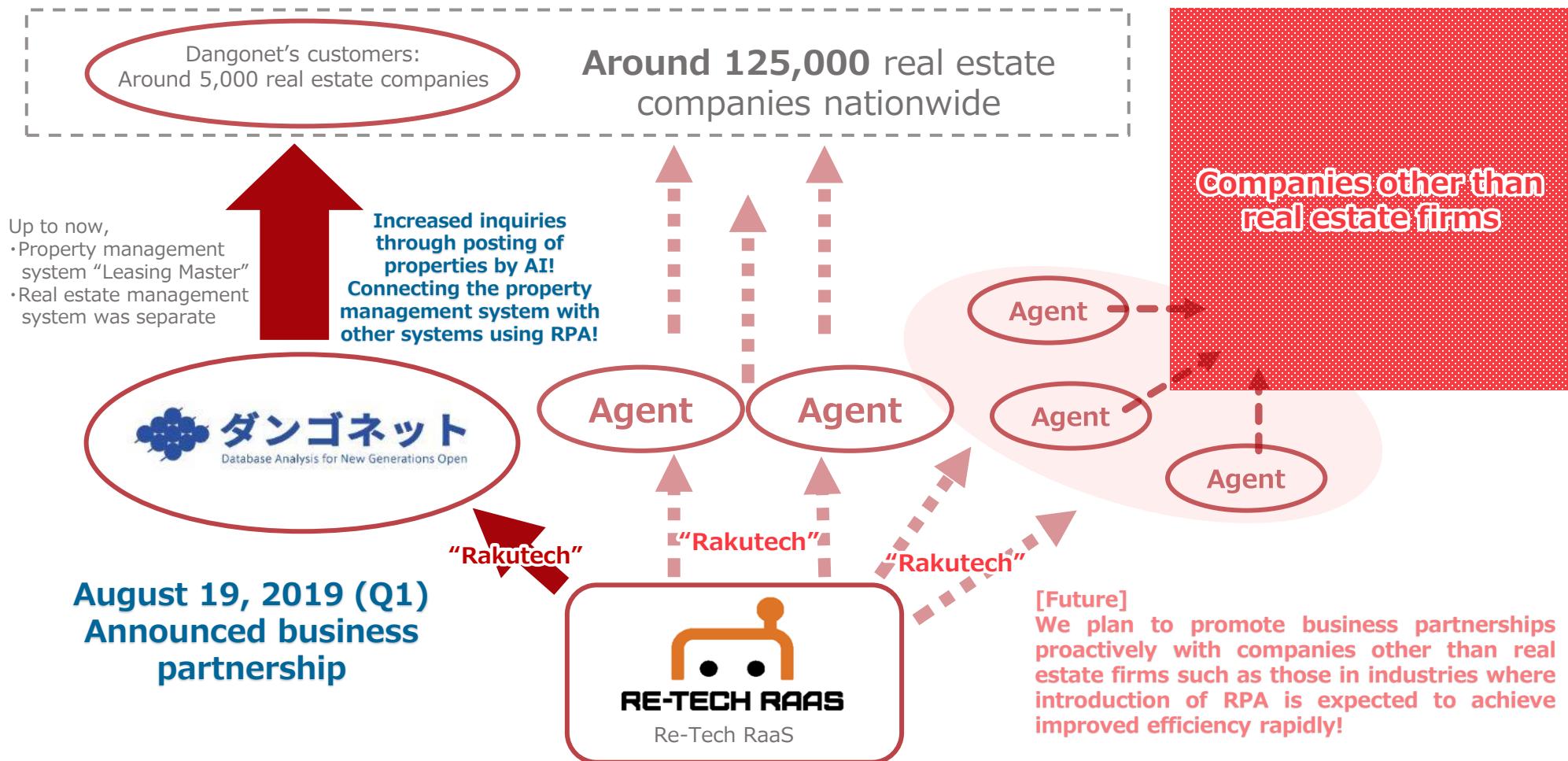


We added **an automatic input system** to the original “Hankyoubaizou-kun” and **launched sales on the market in December 2019**. To date, it has been used by over 100 users in total and we will aim to increase the number of users continuously.

Other: Real Estate Tech Business (Re-Tech RaaS)

Provide support to **improve work efficiency in the real estate industry!**

We will proactively provide the service to **companies other than real estate firms** and support “work-style reform” at each and every company!

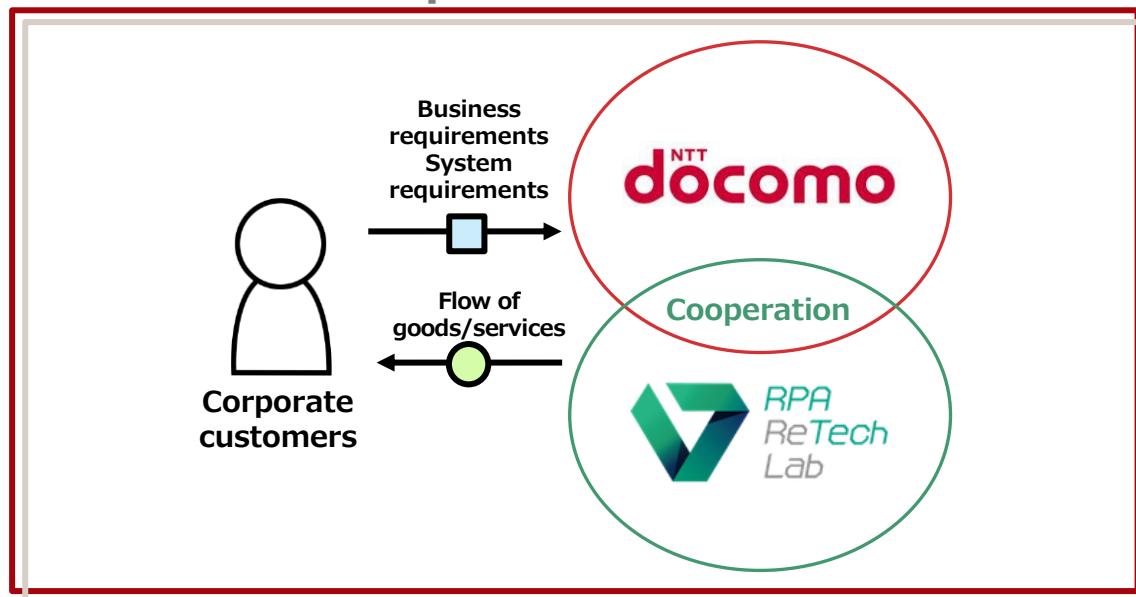


“Launch of RPA Operation Entrusted from NTT DOCOMO” announced on September 30, 2019 (Q1)

Striving to improve corporate customers' satisfaction through “Entrusted RPA Operation!”

- RPA software “WinActor®” handled by **NTT DOCOMO** is a software-type robot that records PC operations, etc. on Windows devices as scenarios and automates PC operations. It is well received as a robot that enables even those without programming knowledge to automate and streamline operations. Recently, RPA ReTech Lab concluded a business entrustment contract concerning scenario formation support for “WinActor®” with NTT DOCOMO Inc.
- **Going forward, we will support not only the real estate industry but each and every company through RPA by assisting their efforts to streamline and reduce workload from routine tasks.** We will support “work-style reform” enabling companies to allocate the time of their employees and staff to operations which humans are good at but RPA is not (instructing and managing RPA, enriching customer support operations, making plans toward new value creation, etc.)

Entrusted with RPA Operation Business from NTT DOCOMO



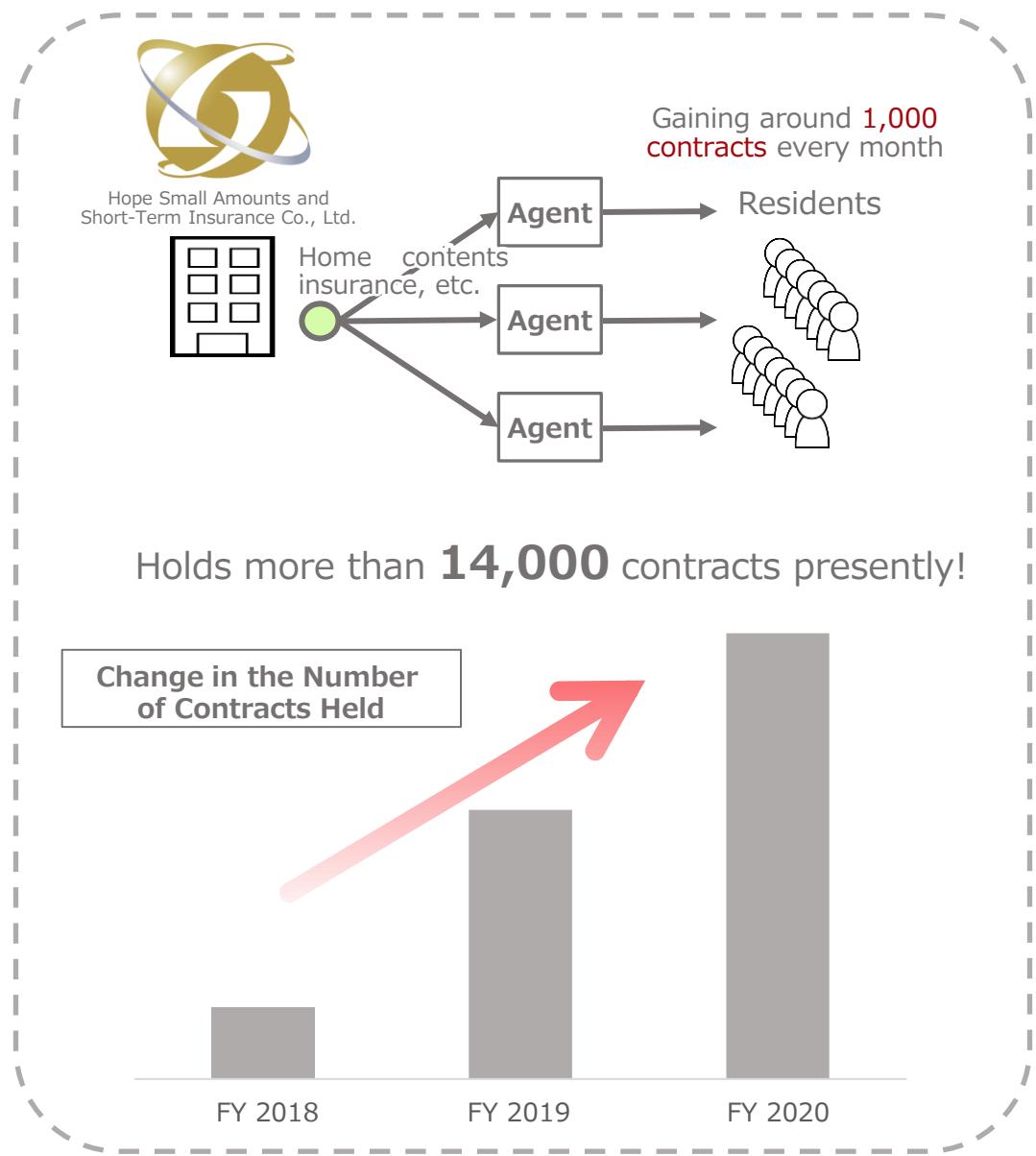
Since its establishment in **November 2016**, Hope Small Amounts and Short-Term Insurance Co., Ltd. has provided home contents insurance and liability insurance for residents of rental housing and other insurance to customers residing in properties managed/brokered by Ambition Group.



[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
- Able to address the diverse needs of customers by having small amounts and short-term insurance business within the group

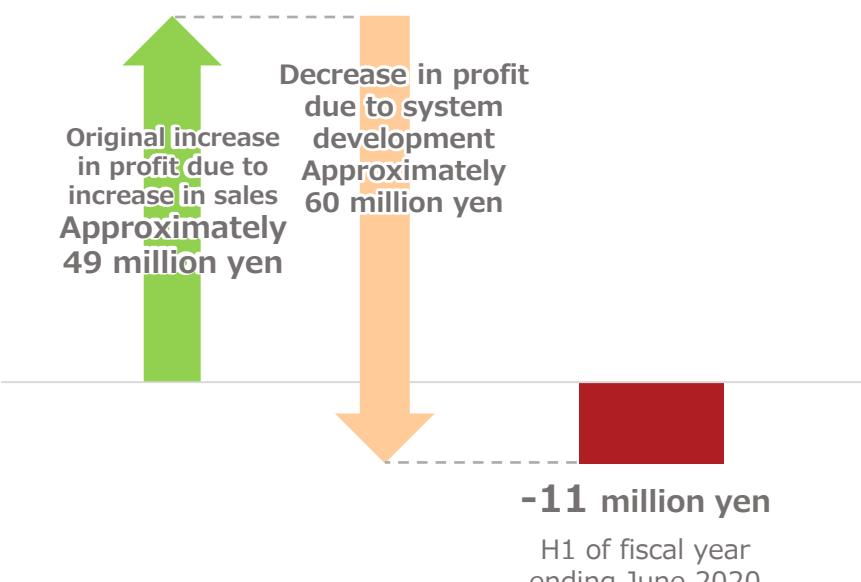
Developing new products with better coverage to accommodate customer needs



Expected to turn positive in the next fiscal year!

It is said that insurance businesses tend to have **difficulty in turning positive**. However, we have solidly increased the number of contracts and our earning power is steadily improving to the point of being **sufficiently possible to turn positive** sans the investment in systems (approximately 60 million yen) in the current fiscal year, the third year since the launch of the business.

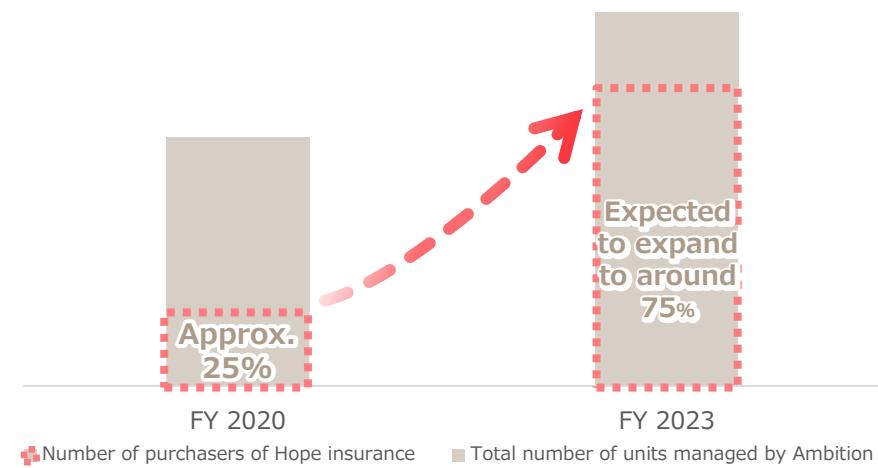
Operating Profit/Loss



The ratio of residents who purchased the insurance among all residents in units managed by Ambition is expected to increase by about threefold in the next three years!

Presently, the ratio of residents who purchased Hope Small Amounts and Short-Term Insurance among all residents in units managed by Ambition is around 25%. However, we are advising residents who already purchased other companies' insurance to switch to Hope's when renewing lease agreements, and we expect the ratio will expand by around threefold to about 75% in three years. We will develop new products with even better coverage and strive to be an insurance company chosen by residents.

Change in the Number of Purchasers of Hope Insurance



Other: Overseas System Business (Ambition Vietnam)

We established an **affiliate in Vietnam in April 2015** and rolled out **international businesses**.

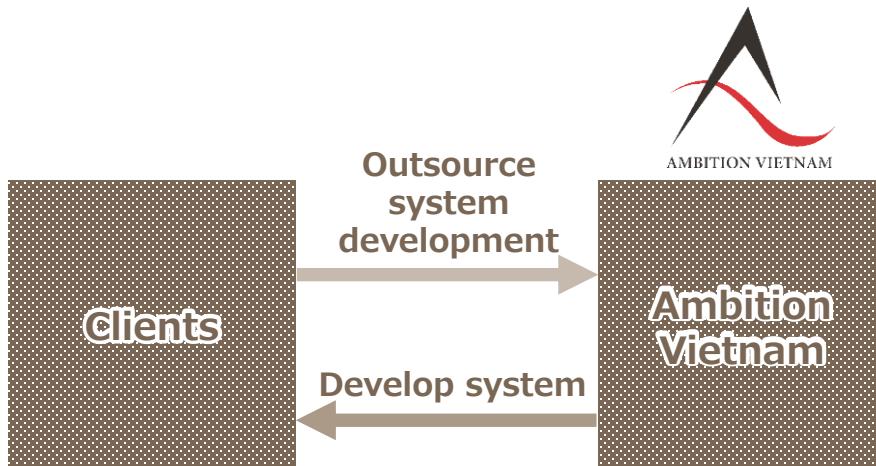
<Major Businesses>

- Web system development outsourced from companies in Vietnam and Japanese venture firms
- BPO operation of Ambition Group (data entry service)
- Real estate purchase/sale and leasing brokerage services for foreigners in Vietnam

We engage in development and renovation not only for the real estate business but also for the creation of 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 IT and Ambition's business.

Business Model of Being Entrusted with System Development



07

Forecast for the Current Fiscal Year

Consolidated Forecasts for Fiscal Year Ending June 2020 (Full-Year)

In the current fiscal year ending June 2020, we will work on new businesses important to the future growth of the Ambition Group, and to that end, we plan to carry out **proactive upfront investment of around 500 million yen (presently assumed amount) centering on the RPA business**.

The first half of the fiscal year resulted below the initial forecast by marking decrease in sales and turning into deficit. However, because the major reason for this is solely the deferment of sales to the second half in the investment business, **there will be no changes to the full-year forecast**. Sales for the current fiscal year will occur **especially disproportionately in the second half**.

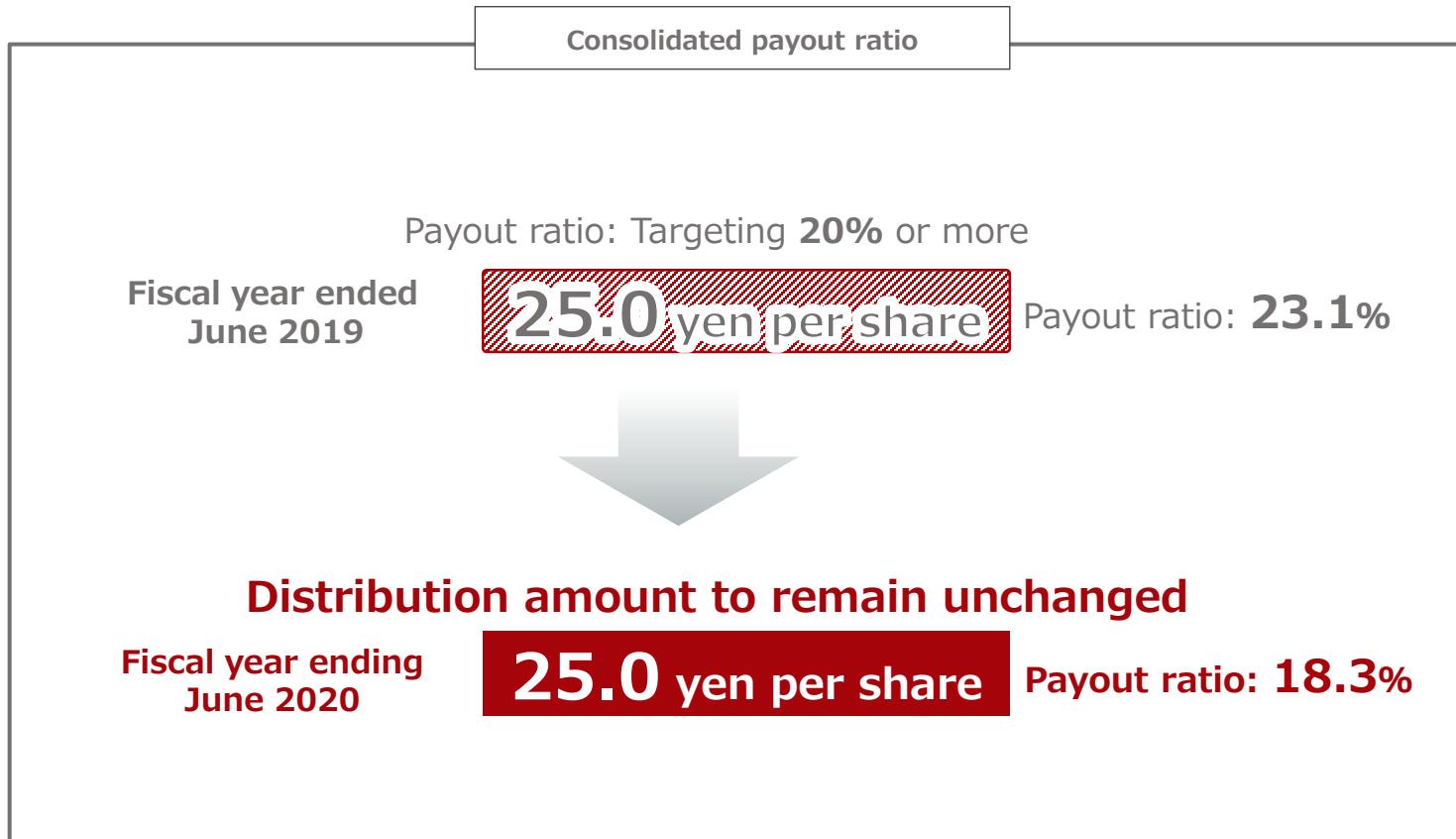
- Net sales for the full year are forecast to show **a steady year-on-year increase of 5.5% and aim to mark the thirteenth consecutive fiscal year with an increase in revenue since the founding of Ambition while achieving 30 billion yen**.
- Operating profit for the full year is **forecast to achieve the highest profit ever with a year-on-year increase of 3.3%, absorbing the deficit in the first half and the cost of upfront investment**, as sales in property management business will occur more disproportionately in the second half of the fiscal year as in usual years, many high-margin projects in the investment business are scheduled for the second half and the rental brokerage business is expected to recover in the second half.

(million yen)

	Fiscal year ended June 2019 (actual)	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 available to Ambition as well as certain assumptions deemed to be rational, thus actual results may differ significantly due to various factors.

We plan to continue with stable shareholder return going forward while conducting proactive upfront investment in growth areas.



08

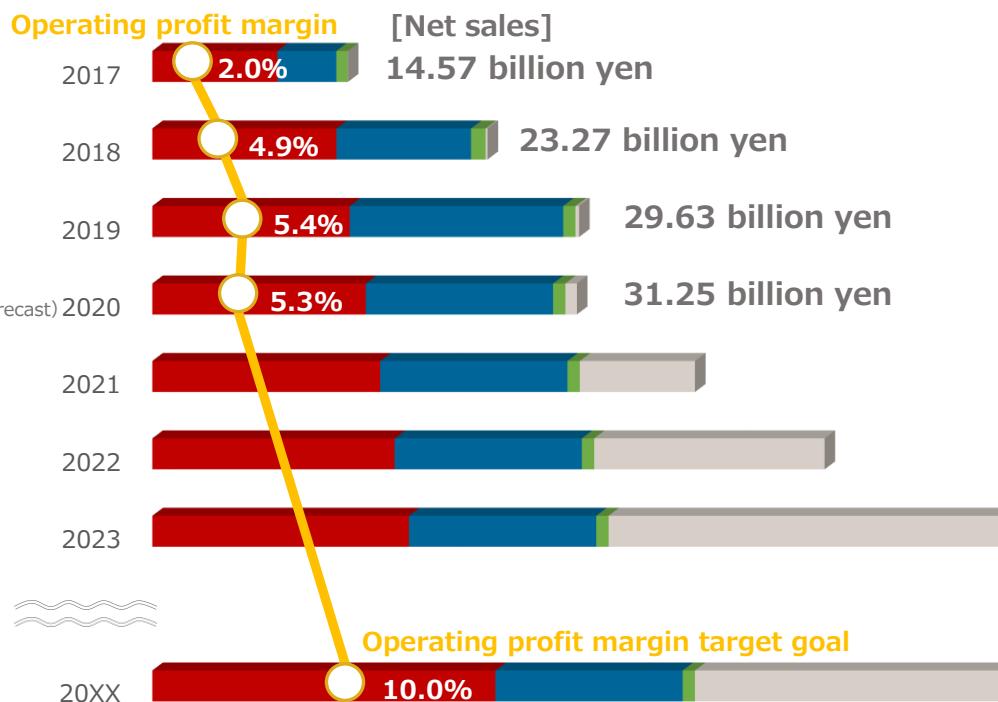
Mid-Term Goal “AMBITION PROJECT 100”

(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, we seek dramatic growth in the next fiscal year onward through proactive upfront investment centering on the highly profitable RPA business.
- Over the medium term, we aim for **an early achievement of 10 billion yen in operating profit and an operating profit margin of 10%** through: Stable growth of the property management business, which is a stock business, as the main focus in our existing businesses + Rapid growth centering on the highly profitable RPA business among new businesses

Improve growth in net sales and operating profit margin



DREAM⇒PROJECT
- Turn the dream into reality -

Operating profit:
10 billion yen
Operating profit margin:
10%

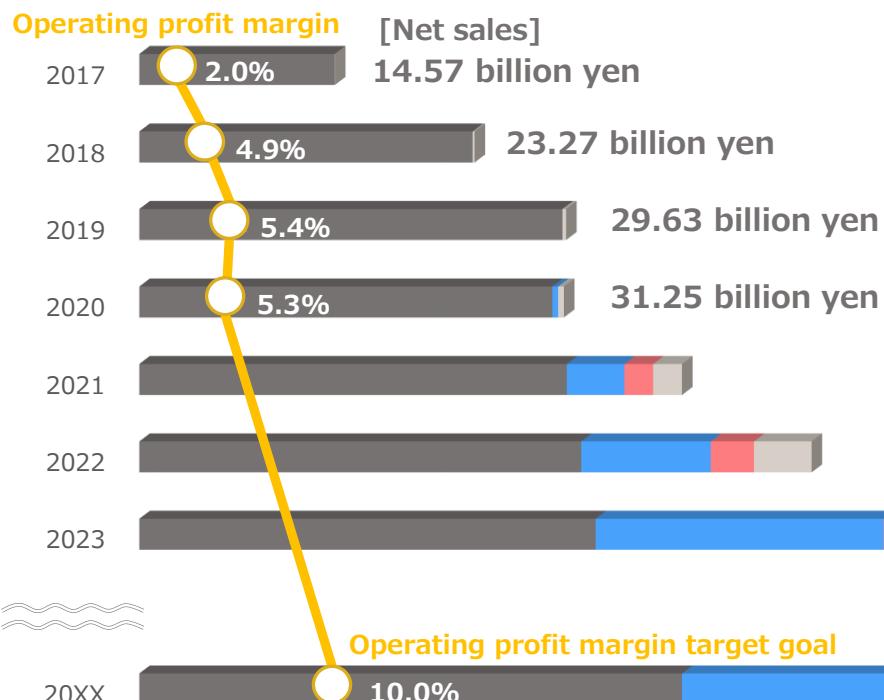
In order to realize dramatic growth in performance in the next fiscal year onward...

we aim to **turn the RPA business under real estate tech and the small amounts and short-term insurance business**, both of which fall under other business, **positive!**



- RPA business under real estate tech business: Will be highly profitable after turning positive and a huge contribution to profit can be expected!
- Small amounts and short-term insurance business: Stock business that will stably accumulate profit after turning positive!

Contribution of New Businesses to Performance



Existing Businesses

- Property management business: Expansion of the number of managed units and maintaining of a high move-in ratio
- Investment business: Enhance purchase of properties in premium areas
- Rental brokerage business: Changing area of focus to attracting customers mainly through websites

New Businesses

- Real estate tech business:
 - Promotion of sales of brokerage version of "Rakutech"
 - Promotion of sales of management version of "Rakutech"
- Small amounts and short-term insurance business:
 - Expansion of the number of agents
 - Increase the number of contracts

Ambition Group aims for rapid growth of its performance after turning new businesses positive while strongly improving performance of existing businesses.

Performance Growth

Highly
profitable
new
businesses

Steady growth
of stock
business

Aim for rapid growth in
operating profit after
turning real estate tech
business positive



Real estate tech
business

Small amounts and
short-term
insurance business

Existing
business

- Property management business
- Investment business
- Rental brokerage business

Carry out proactive upfront investment in the current fiscal year

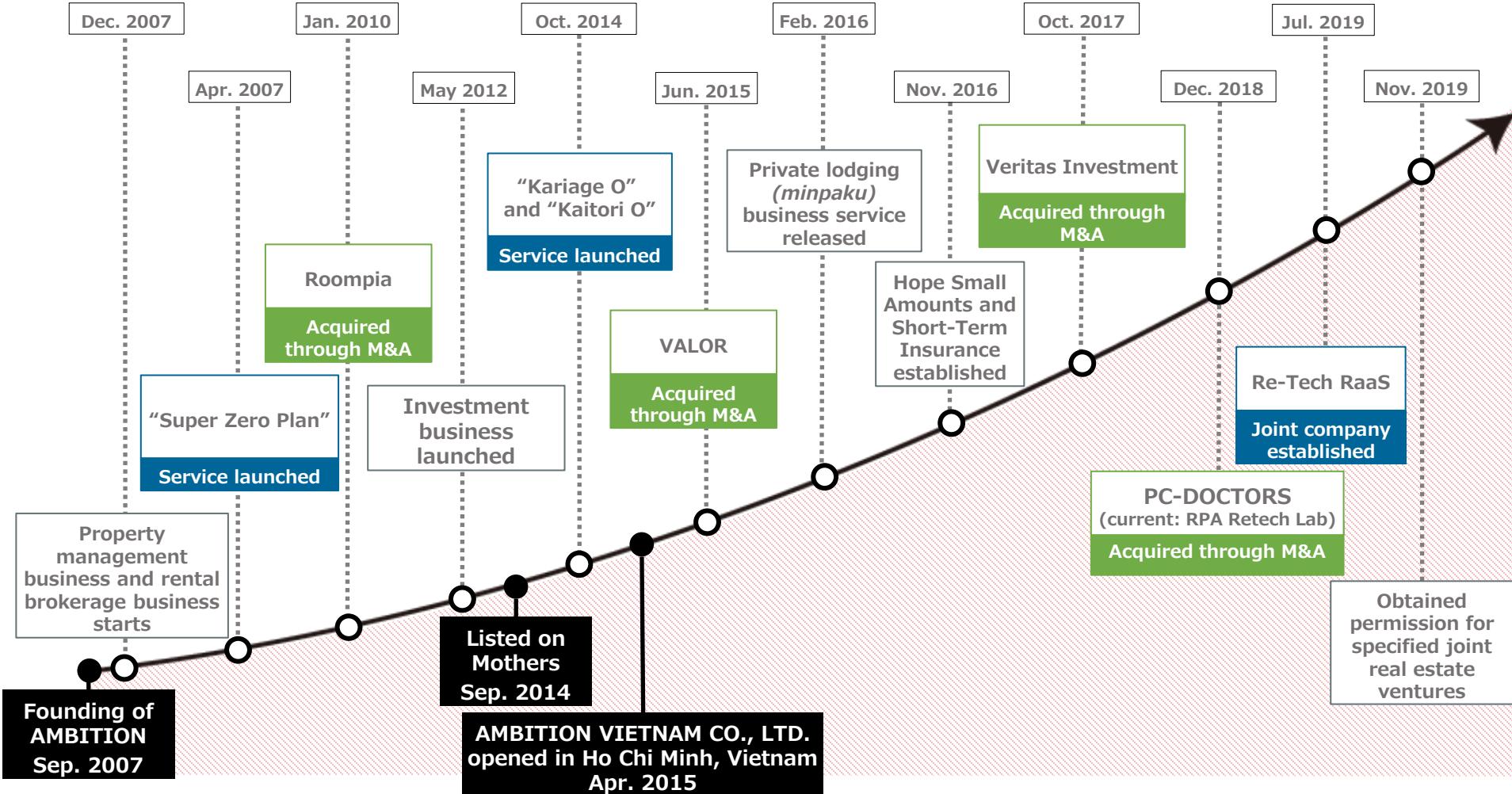
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APPENDIX

Profile of Ambition Group Companies

Company name	Ambition Corporation	Company name	Ambition ROOMPIA Co., Ltd.
Representative	Takeshi Shimizu	Representative	Toru Oishi
Established	September 14, 2007	Directors	Takumi Suzuki, Director; Masaaki Yamaguchi, 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	Naka-Meguro Branch, Takadanobaba Branch, Ginza Branch, Sagami-Ono Branch, Corporate Division, Higashi-Omiya Branch
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; Investment Department: Information Strategy Division / Leasing Brokerage Division Business Administration Department: Corporate Planning Office /Financial Affairs Division / Internal Audit Office	Head office location	Nagaoka Building 3F, 2-1-22 Kitasaiwai, Nishi-ku, Yokohama, Kanagawa
Affiliated companies	Ambition ROOMPIA Co., Ltd. Ambition Partner Co., Ltd. Ambition Rent Co., Ltd. VALOR Co., Ltd. Veritas Investment Co., Ltd. Hope Small Amounts and Short-Term Insurance Co., Ltd. VISION Co., Ltd. AMBITION VIETNAM CO., LTD. RPA Retech Lab Inc. Re-Tech RaaS Inc.	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, Representative Director and Vice President; 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
		Registration 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



Disclaimer

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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.



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