

Q3

2021

Securities
Code

3300



A M B I T I O N

**Supplementary
Financial Materials**
Fiscal Year Ending June 2021 (Q3)
May 14, 2021 (Friday)

Ambition Corporation

ISIN JP3128650003

01	About Ambition Group	P. 4
02	Financial Summary	P. 13
03	Individual Business	P. 20
04	Forecast for the Current Fiscal Year	P. 53
05	Mid-Term Policy	P. 56
	APPENDIX	P. 60

Policy for the Fiscal Year Ending June 2021

A year of establishing a growth base as a real estate DX company

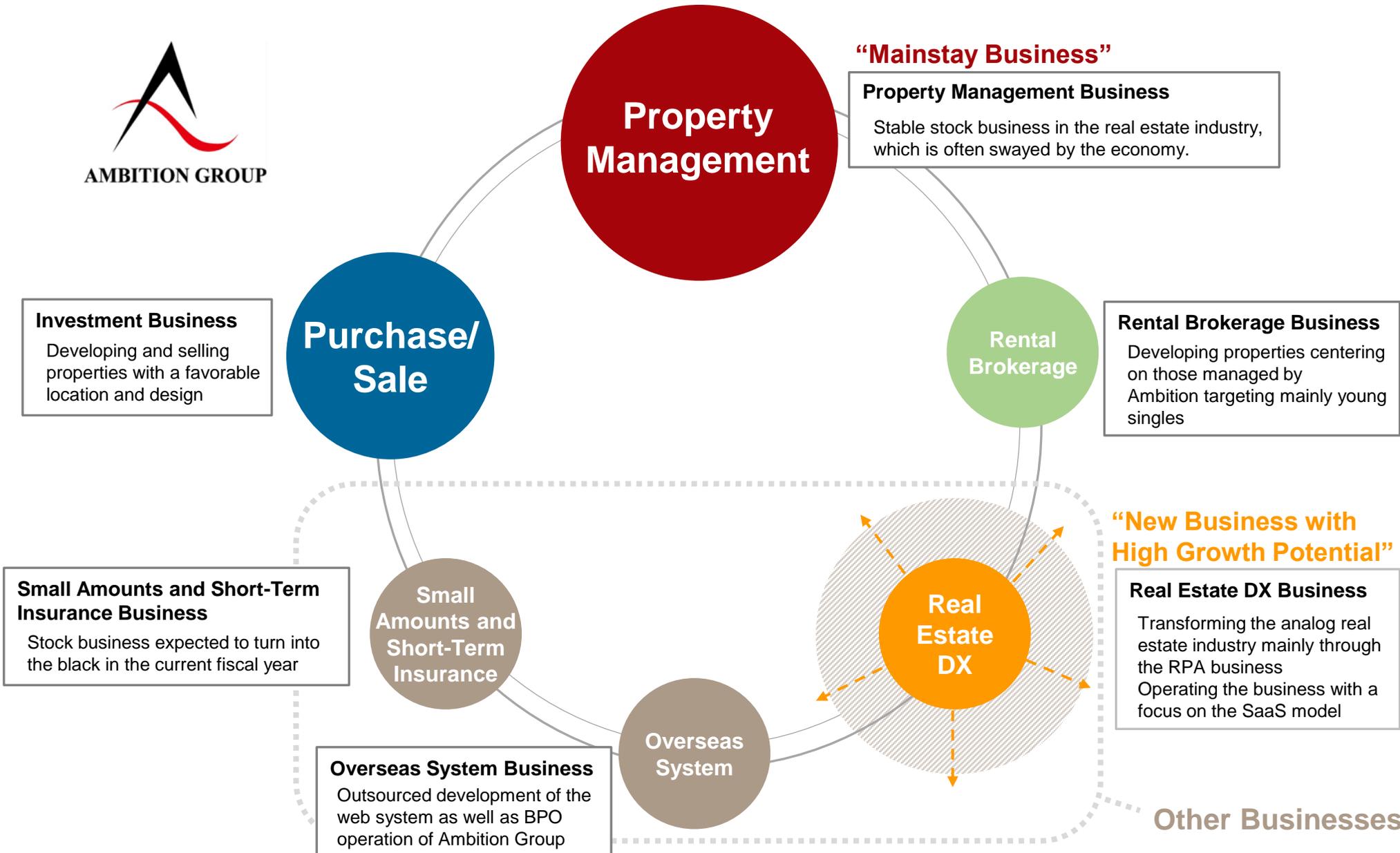
Plan to continue focusing on the promotion of company-wide digital transformation (DX) and the growth of RPA business, and make appropriate upfront investment.

Three-Quarter Results

Bolstered mainly by a strong performance in the Investment Business, net sales totaled **23,683 million yen** (up **19.8%** year on year) and operating profit was **835 million yen** (up **+90.1%** year on year), both recording a significant increase.

01

About Ambition Group



1Q

- Aug. 14, 2020 **Insurance** Announced **development** (introduced Sep.) of **“MONOLITH,”** a new system that promotes InsurTech
- Sep. 1, 2020 **Insurance** Launched “New Living Security Insurance,” a new product
- Sep. 30, 2020 **PM** Announced business partnership with Market Enterprise Co., Ltd. engaged in the online reuse business

2Q

- Nov. 1, 2020 **Brokerage** [Ambition Agency] Opened “Roompia Ikebukuro Higashiguchi”
- Nov. 13, 2020 **DX** Announced **change of name** from Real Estate Tech Business to **“Real Estate DX Business”**
- DX** Announced a **business partnership in real estate DX product collaboration with Bengo4.com, Inc.** providing the electronic contract system “Cloudsign”
- Nov. 19, 2020 **Purchase/Sale** Commenced solicitation of funds for the fourth project of “A funding,” a crowd-funding service for real estate investment

3Q

- Jan. 13, 2021 **Brokerage** [Ambition Agency] Announced participation in “Project To Energize Japan From Small and Medium Enterprises” for which Atsushi Tamura of the London Boots comedy duo serves as official ambassador
- Feb. 12, 2021 **DX** Announced the release this spring of “Room Concierge,” an app matching users who are searching for rooms with real estate brokers/salespeople
- Feb. 12, 2021 Certified by MLIT as **business operator enrolled in a social experiment to realize a society where real estate contract disclosure statements are explained online**
- Mar. 1, 2021 **Insurance** Launched “New Living Security Insurance Wide,” a new product
- Mar. 26, 2021 **PM** Announced winning of “**No.1 in the management of designer condominiums in Tokyo**” and “**No.1 in the reliability of owners of sublease units**” in a brand image survey

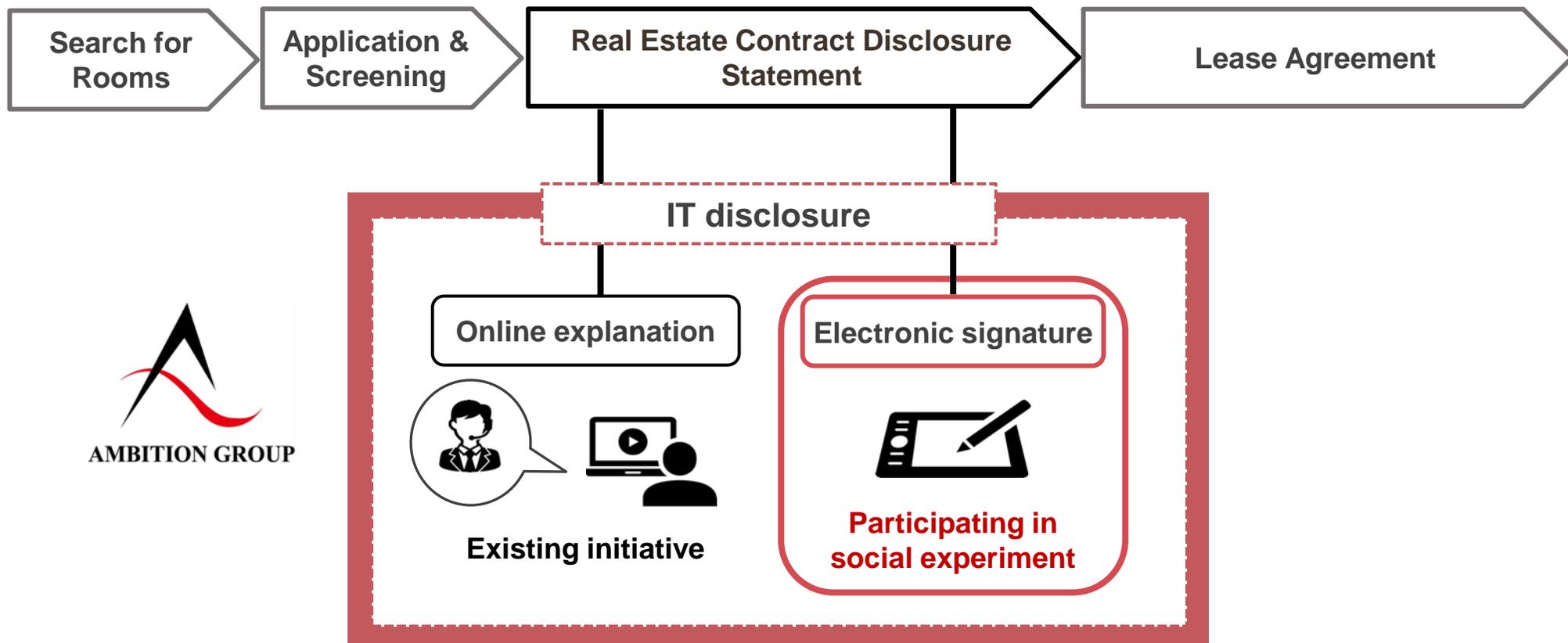
—(Reference) Q4 Onwards—

- Apr. 5, 2021 ▶ Selected by METI as a **DX-certified operator**
- Apr. 19, 2021 ▶ Announced **joint establishment of the DX Property Promotion Association** (with President Shimizu of AMBITION serving as its board member)
- Apr. 26, 2021 ▶ **Launched the service with “Room Concierge,” an app** matching users who are searching for rooms with real estate brokers/salespeople
- Apr. 28, 2021 ▶ [**&AND HOSTEL (Osaka: Hommachi East)**] Launched limited-time offer of “guestroom featuring collaboration with anime, Osomatsu-san”

Participation in Social Experiment to Realize A Society Where Real Estate Contract Disclosure Statements Are Explained Online (3Q)

In February 2021, AMBITION was certified by MLIT as a **business operator enrolled in a social experiment to realize a society where real estate contract disclosure statements** are explained online (IT Disclosure). This has enabled electronic agreements for the Explanation of Real Estate Contract Disclosure Statement, in addition to the provision of online explanations that have been promoted.

[Steps to be taken by residents]



In March 2021, AMBITION was ranked **No.1 in management of designer condominiums in Tokyo** and **No.1 in the reliability of owners of sublease units** in a brand image survey for the fiscal year ended March 2021, which was conducted by Japan Marketing Research Organization.

NEW



Ranked No.1 in two categories



No.1
in the management of
designer condominiums
in Tokyo



No.1
in the reliability of owners
of sublease units

Survey by Japan Marketing Research Organization
Outline of the survey: Brand image survey for the fiscal year ended March 2021

In April 2021, AMBITION was selected by METI as a **DX-certified operator**.

We remain proactive in promoting DX in the real estate industry while continuing to accelerate internal DX. We will thus contribute to the evolution of the industry through creation of new value.

NEW

■ What is DX Certification?

In this program, business operators instituting excellent initiatives are certified upon application, in accordance with the guidelines on operation and management of information processing systems that were formulated by METI based on the Act on Partial Revision of the Act on Facilitation of Information Processing that came into force on May 15, 2020. It certifies business operators meeting criteria, such as formulation of a vision and establishment of strategy and system, aiming to promote DX in the overall society.

In April 2021, AMBITION established the **DX Property Promotion Association**, a general incorporated association, jointly with seven other companies. The purpose of its establishment is to solve various social issues by applying IoT, AI, and other advanced technologies in the real estate field and promote and activate DX, so as to help improve the environment and convenience for residents. **President Shimizu of AMBITION** was assigned as **its director**.

NEW

DX 不動産推進協会
DX PROPERTY PROMOTION ASSOCIATION



Robot Home

Casa



Residence **kit**



App matching users who are searching for rooms and Room Concierge (real estate brokers/salespeople)



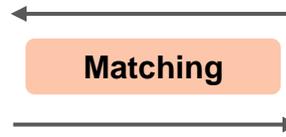
Room Concierge

NEW

**Service launched
on Apr. 26, 2021**



Room Concierge
(Real estate brokers/salespeople)
[Registration required]



**User searching
for a room**
[No usage fee]



- App matching users who are searching for rooms and Room Concierge (real estate brokers/salespeople)
- Rating of posts through “Likes” or comments
- Room Concierge search and chat functions

-- Advertising revenue and fees from registered operators assumed to be earned, starting next year --

Remote search as a new form of room search

Also effective for cutting advertising costs

Expanding **nationwide**,
to the **entire rental brokerage industry**

02

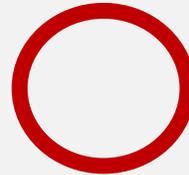
Financial Summary

Property Management

H1

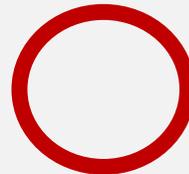
3Q

Number of managed units and net sales



No adverse impact

Occupancy rate



During Q2, the occupancy rate fell due to an increase in new properties managed and the impact of COVID-19

The occupancy rate improved to 97%

Profitability



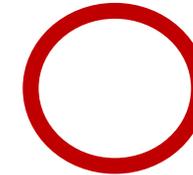
Took steps to raise the occupancy rate through expenditure to find tenants

Investment

Real Estate DX

Small Amounts and Short-Term Insurance

Overseas System

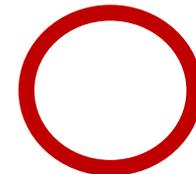


No adverse impact

Rental Brokerage

H1

3Q



Eliminating the adverse impact by enhancing remote customer services

Hotel



Hit by decreased inbound demand

Operating profit increased significantly, **up 90.1% year on year**, mainly reflecting the strong performance of the Investment Business.

Profit attributable to owners of parent grew 4 times due to a lower tax burden rate, attributable to the restoration of profitability by a subsidiary, and sales of investment securities.

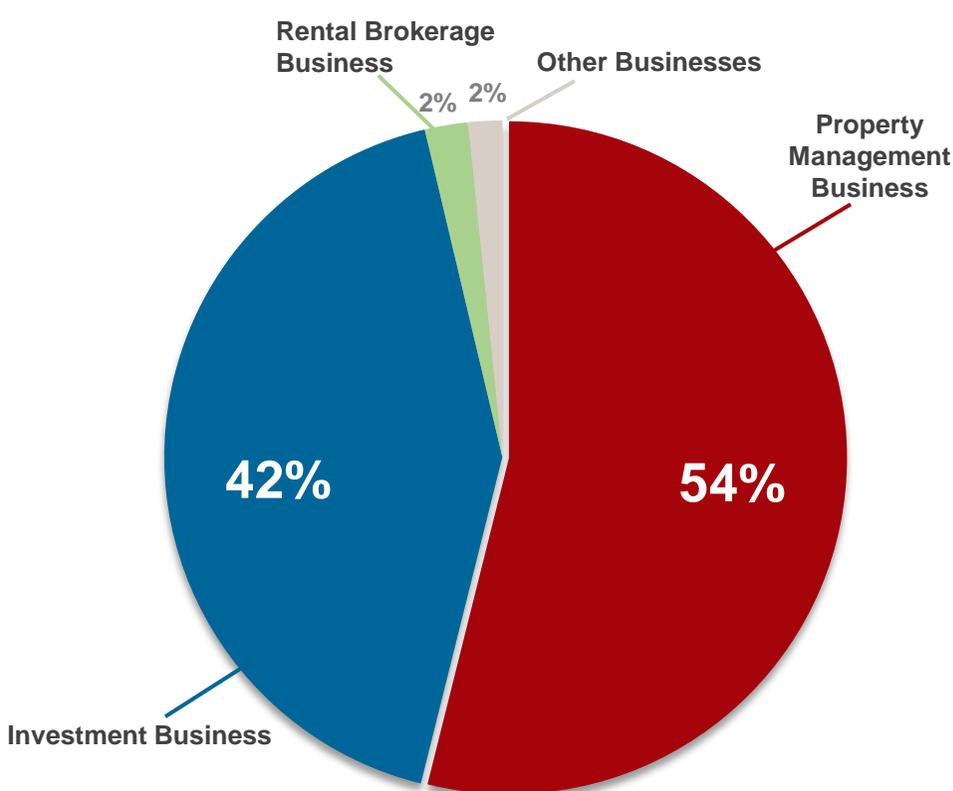
(Unit: million yen)	First 3Qs of fiscal year ended June 2020 (actual)	First 3Qs of fiscal year ending June 2021 (actual)	YoY comparison
Net sales	19,764	23,683	+19.8%
Gross profit from sales	3,606	4,262	+18.1%
Selling, general and administrative expenses	3,167	3,427	+8.2%
EBITDA*	636	1,024	+60.8%
Operating profit	439	835	+90.1%
Ordinary profit	339	752	+120%
Profit before income taxes	312	807	+150%
Profit attributable to owners of parent	115	470	+300%

* EBITDA = Operating profit + Depreciation + Software Depreciation + Amortization of Goodwill

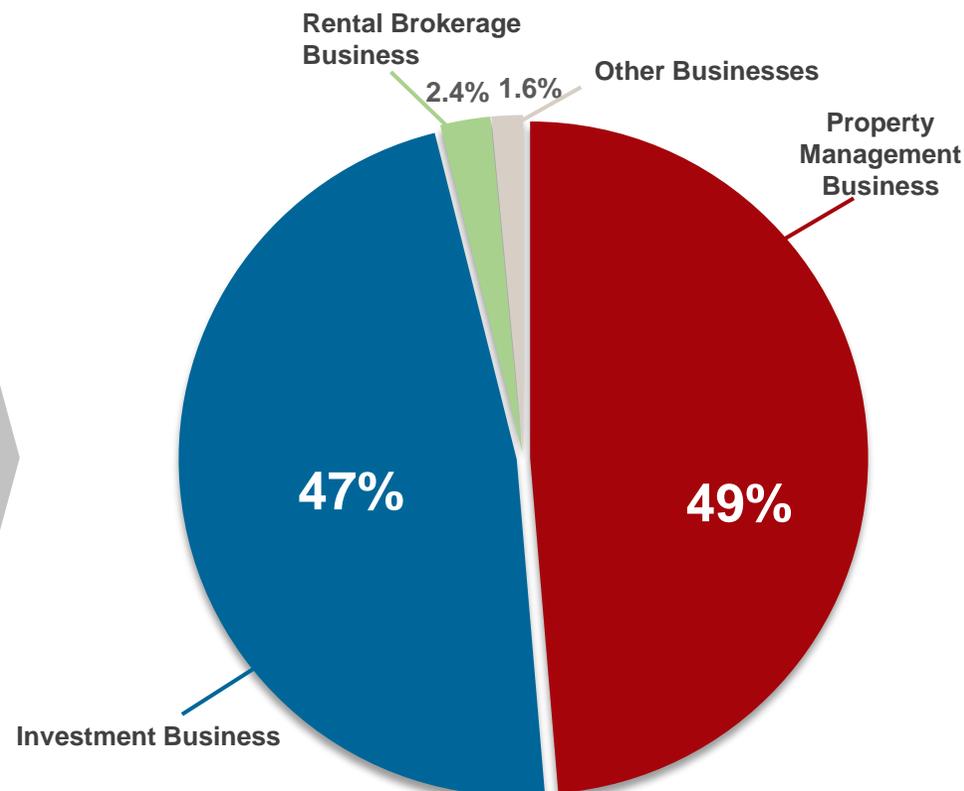
Ratio of Net Sales by Segment (Comparison of Results for the Previous Fiscal Year and Three-Quarter Results)

In the fiscal year ended June 2020 (full year), the mainstay Property Management Business accounted for the largest share of net sales.

In the first three quarters of the fiscal year ending June 2021, the ratio of the Investment Business increased.



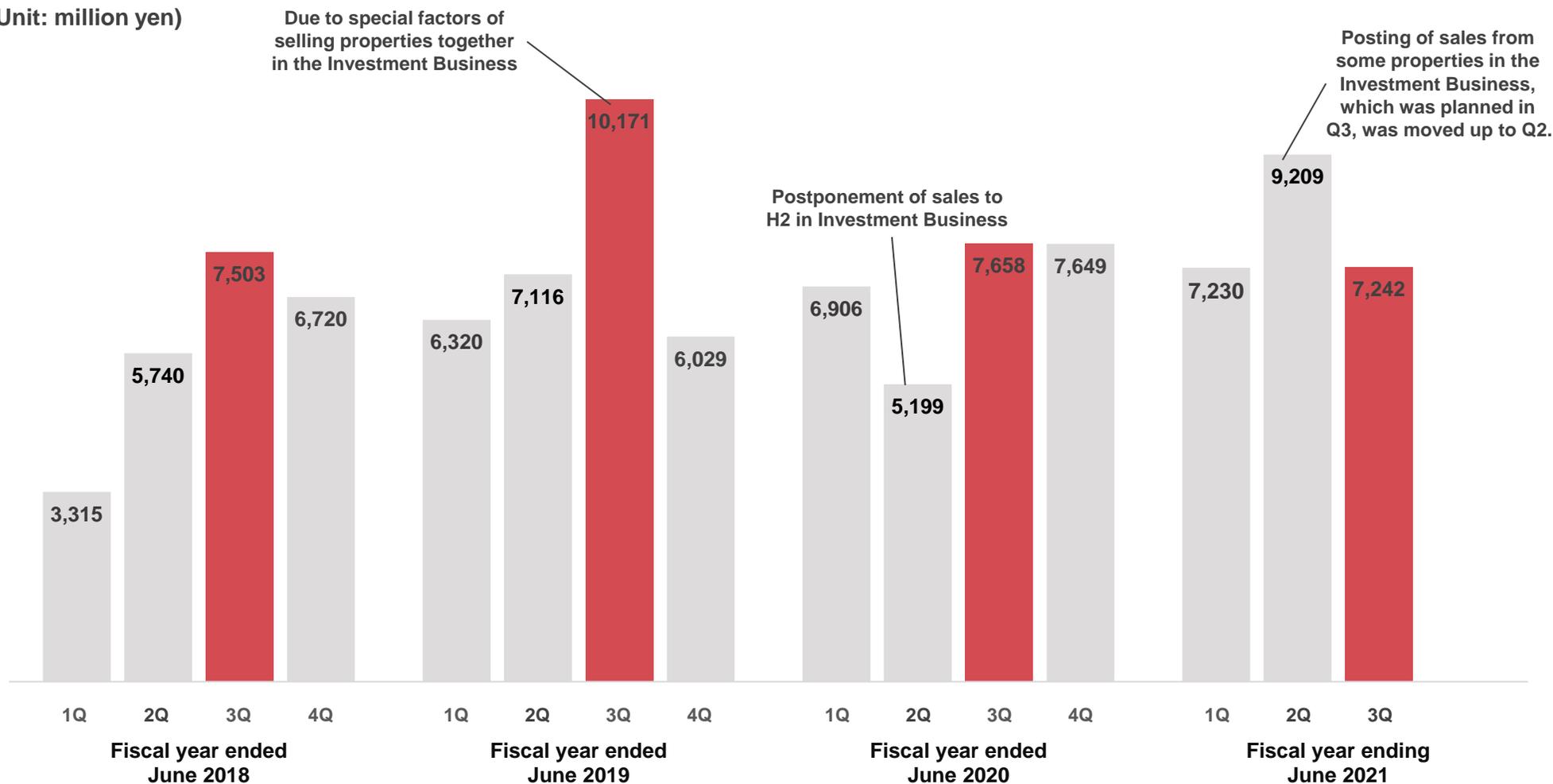
Fiscal year ended June 2020



First three quarters of fiscal year ending June 2021

While sales normally tend to be concentrated on H2, this fiscal year, posting of sales from some properties in the Investment Business, which was planned in H2, was moved up to H1. This resulted in a concentration of sales on Q2.

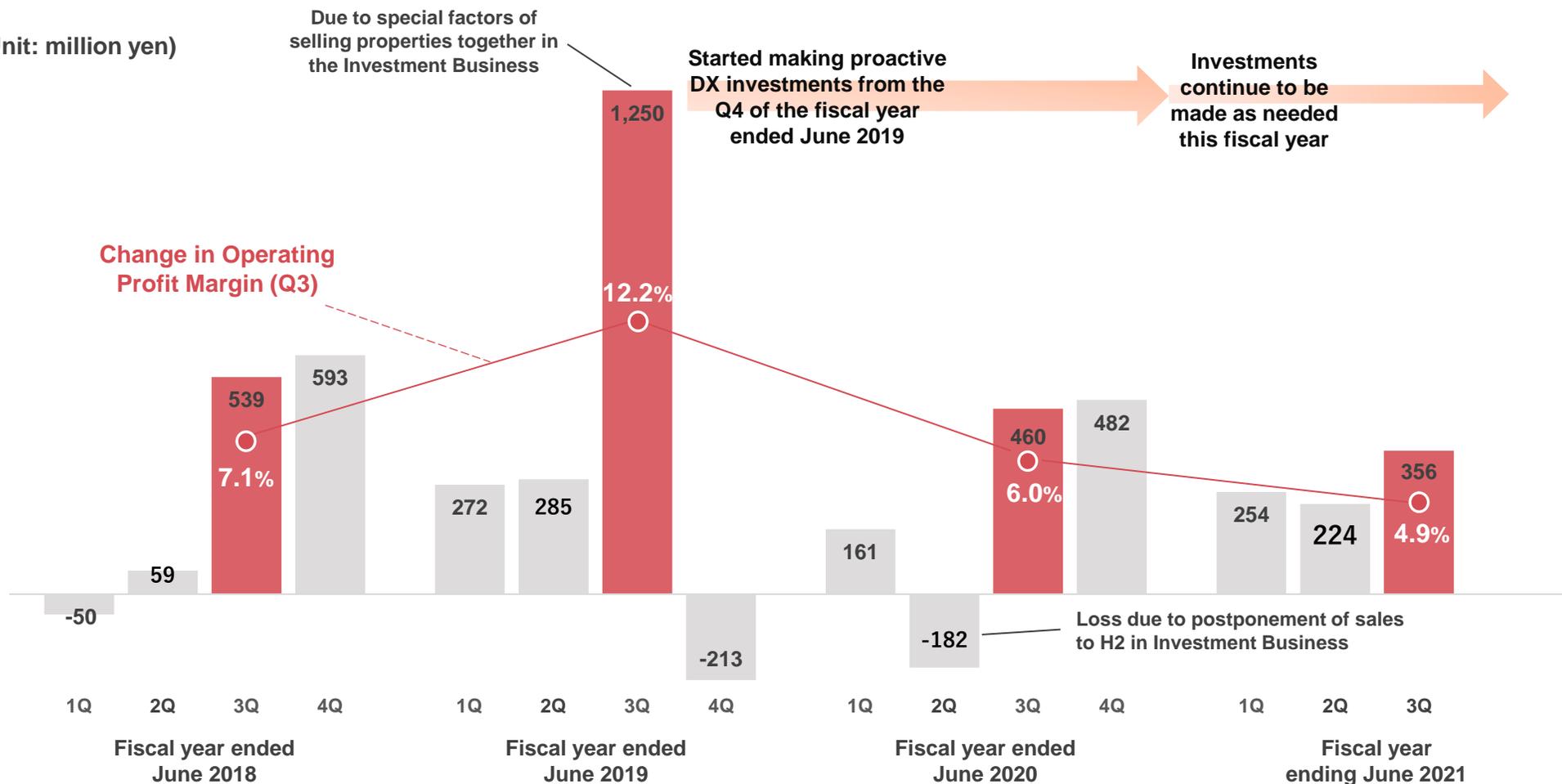
(Unit: million yen)



The operating profit margin was high, exceeding the previous quarter's (Q2) level, since Q3 is the busy period of the rental business sector (PM & Rental Brokerage).

While DX investments are made as needed, this fiscal year, operating profit is expected to be achieved in all four quarters.

(Unit: million yen)



Net assets rose with an increase in real estate for sale in process that resulted from property development by Veritas Investment, a subsidiary.

(Unit: million yen)	End of the fiscal year ended June 2020	End of Q3 of fiscal year ending June 2021	Amount of change
Current assets	9,395	13,999	+4,604
Non-current assets	5,819	4,859	-960
Deferred assets	4	5	+1
Total assets	15,219	18,864	+3,645
Current liabilities	5,639	5,499	-139
Non-current liabilities	5,682	9,497	+3,814
Net assets	3,897	3,867	-29
Total of liabilities and net assets	15,219	18,864	+3,645
Equity ratio	25.5%	20.4%	-5.1%

03

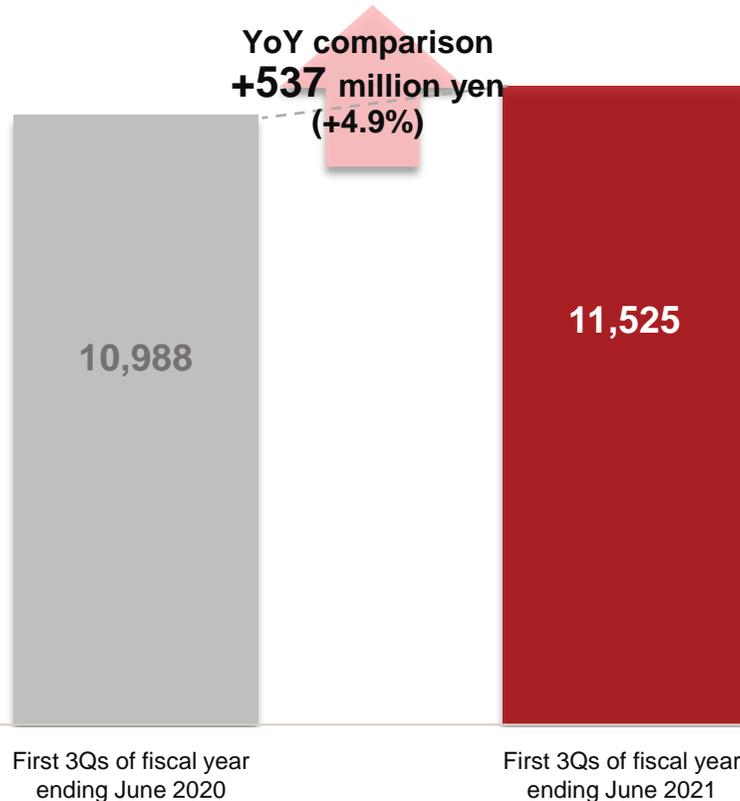
Individual Business

Property Management Business

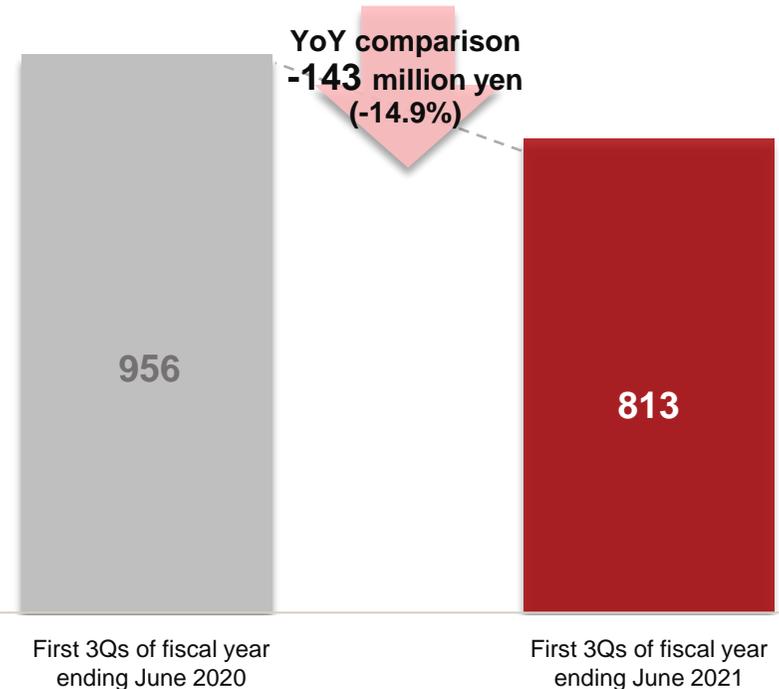
**(Mainly operated by AMBITION with some engagement
by Veritas Investment and VALOR)**

- Net sales rose 4.9% year on year due to an increase in the number of units managed, which is the KPI.
- Segment income fell 14.9% year on year. This was due to special factors such as investments made in DX, in addition to expenditure and the implementation of measures (p.25) to address a fall in the occupancy rate in Q2, caused by a combination of more new properties managed and COVID-19.

Net Sales (million yen)



Segment Income (million yen)

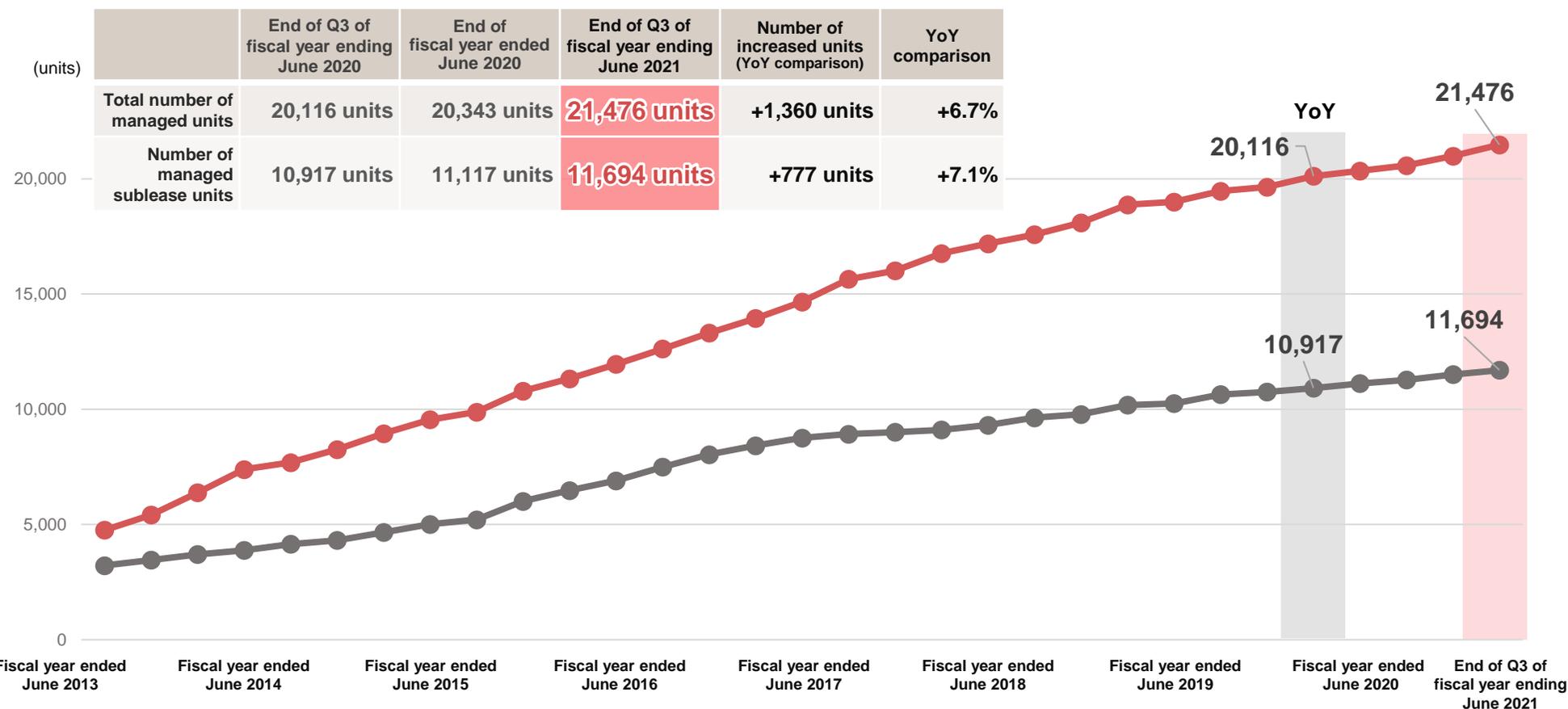


Key Performance Indicator (KPI): Change in the Number of Managed Units

Our mainstay Property Management Business is a stock business, and the number of managed units, which is the KPI, regardless of economic situation, is increasing steadily.

— Usually, the growth rate tends to slow when the number of managed units exceeds 20,000, but Ambition continues to maintain a growth rate higher than the industry average with its unique know-how and network

Change in Number of Managed Units and Sublease Management Units

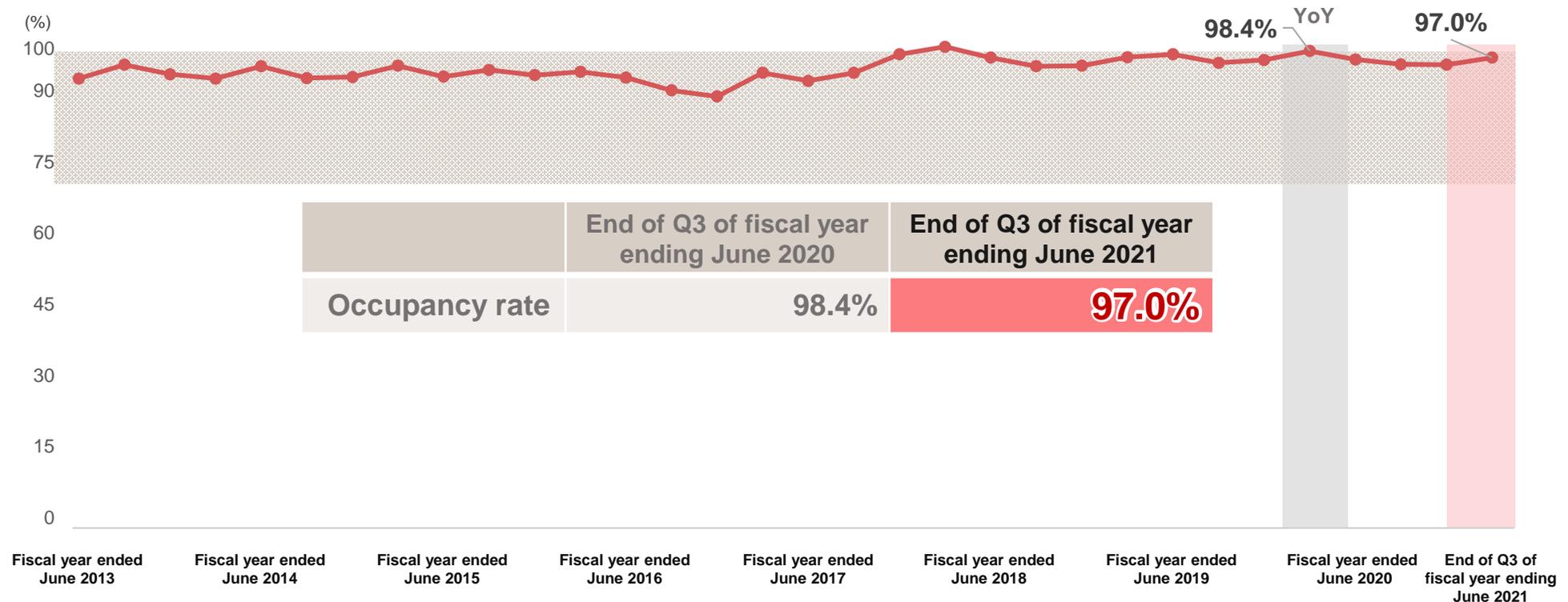


Owning several quality properties, such as designer condominiums, mainly in the 23 wards of Tokyo, which is seeing high demand.

Also maintaining a high occupancy rate compared to many competitors by operating a rental brokerage business within the Group.

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

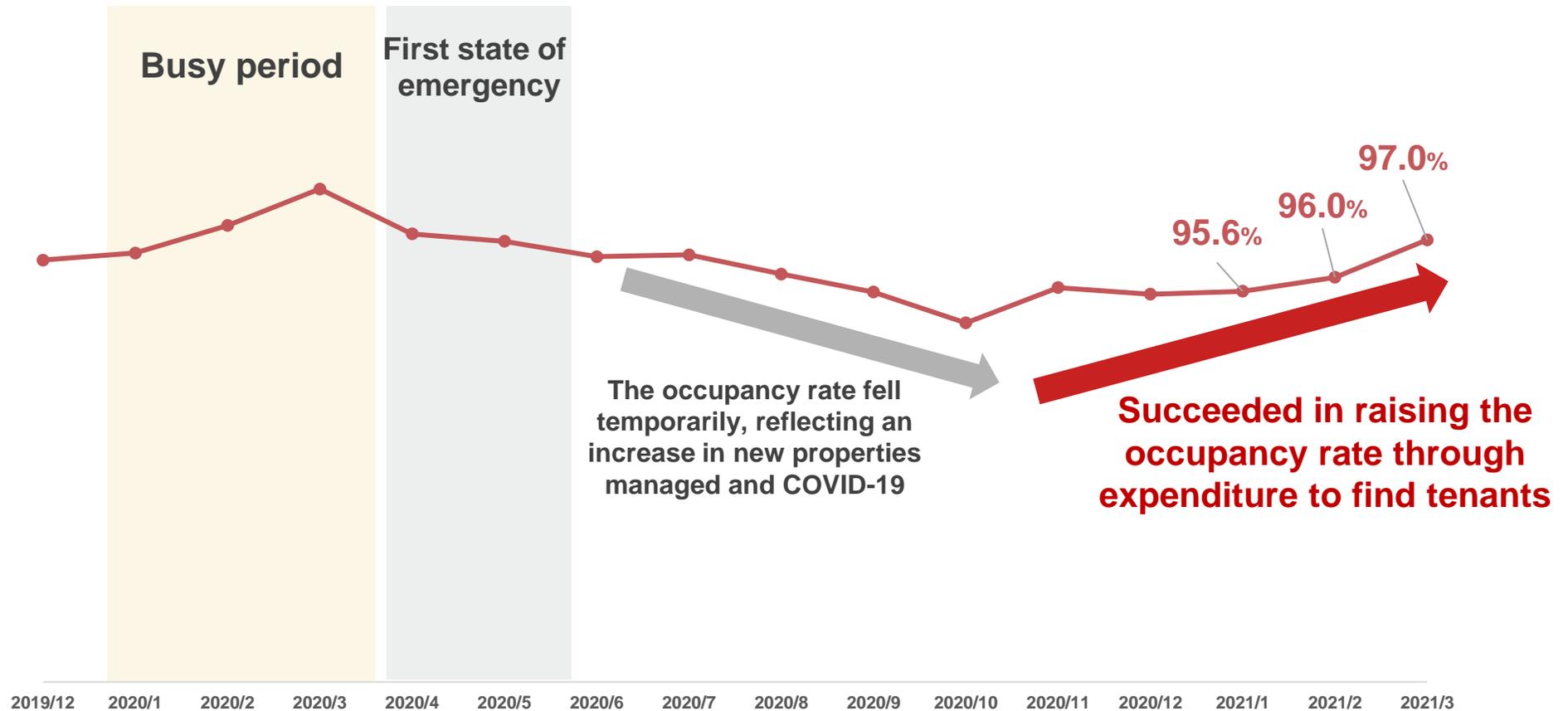
Quarterly Changes in Occupancy Rate



We made expenditure to find tenants in Q2 to address the downward trend in the occupancy rate resulting from a combination of more new properties managed and COVID-19, and we succeeded in raising the occupancy rate.

We achieved an improvement to 97% at the end of Q3.

Monthly changes in the occupancy rate



Further promote real estate DX in the current fiscal year

Measure 1.

Continue to promote RPA in typical work
 (“Rakutech” was developed for other companies)

Measure 2.

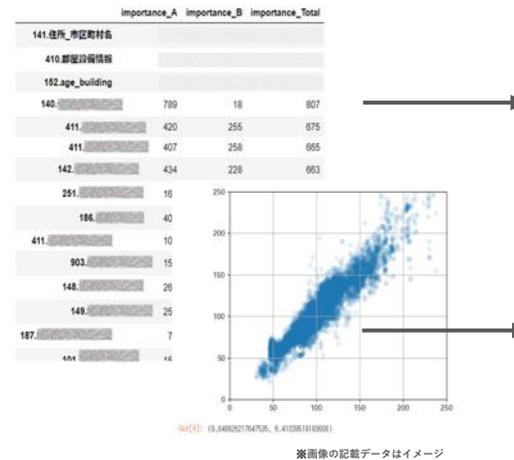
Introduce multiple new systems for the promotion
 of next-generation management

- Q1: Test introduction of CRM (Customer Relationship Management System) combining CTI (Computer Telephony Integration) and IVR (Interactive Voice Response)
- Q2: Introduction of repair and maintenance management system
- Q3: Implementation and introduction of a key delivery reservation function
- Q4: Planning test introduction of property management system, etc.



Measure 3.

Develop a unique AI algorithm that maximizes
 Lifetime Value, and realize automated calculation
 of optimum rent



Aggregation and analysis of
 our rental big data (several
 million) using AI

Deduction of optimum
 rent/plan for maximizing
 property income by AI

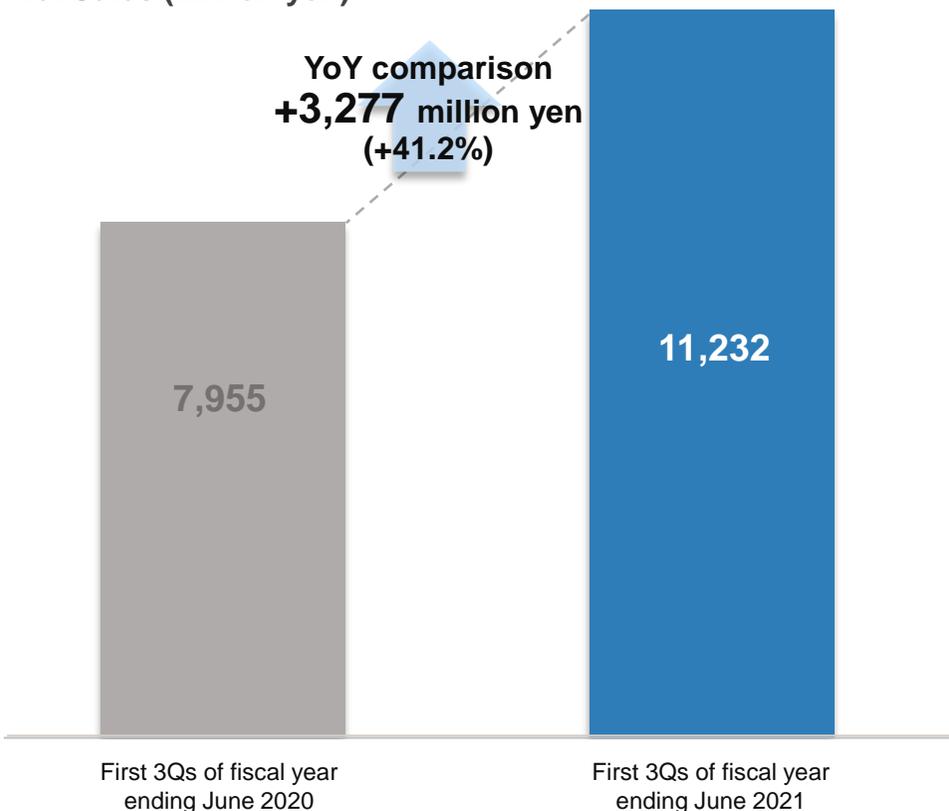
Improving customer
 satisfaction through
 real estate DX

Investment Business

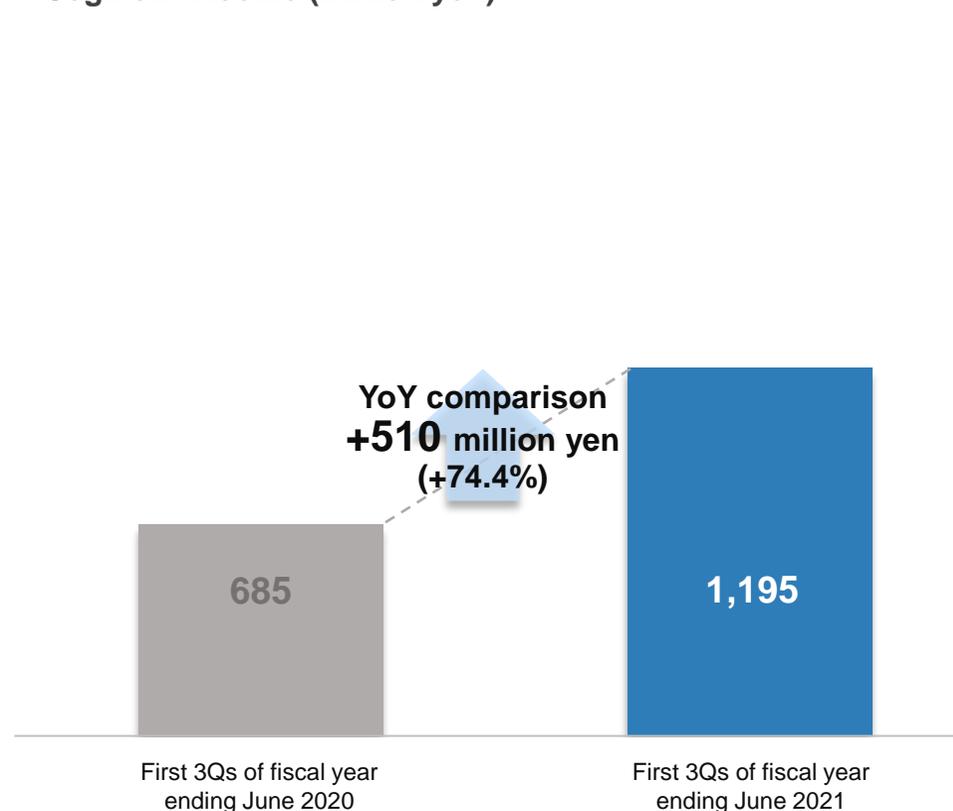
**(Mainly operated by Veritas Investment with some engagement
by AMBITION's Investment Department)**

- Net sales increased sharply, up 41.2% year on year, reflecting settlement periods, which had grown longer due to COVID-19 but have returned to normal, in addition to sales (around 1.5 billion yen) postponed from the previous fiscal year.
- Segment income grew substantially, up 74.4% year on year, mainly due to a higher profit margins attributed to an increase in new prime properties handled and also because the sales postponed from the previous fiscal year were from properties with high profit margins.

Net Sales (million yen)



Segment Income (million yen)



Mainly operated by Veritas, a subsidiary that has strengths in new properties developed by the Group



Veritas Investment (Consolidated subsidiary)

Sale of new studio condominiums
for investment

Characteristics
and strengths

Favorable location
Tokyo Premium Area

×

Favorable design
Stylish designer condominiums

Number of units where
payment settlement
was completed in the
first three quarters

231 units (up 44 units year on year)

“PREMIUM CUBE” series curated by a
famous designer is very popular



Investment Department

Renovation/sale of for-sale
condominiums



Renovation brand

Focusing on location
(Tokyo Premium Area)

Capable of purchasing properties
through various channels

72 units (up 11 units year on year)

Also developing
a crowdfunding business





1Q

- Jul. 2020 Launch of sales of LUMEED CUBE Kikukawa PREMIUM

2Q

- Oct. 2020 Launch of sales of PREMIUM CUBE Komagome
- Oct. 2020 Launch of sales of PREMIUM CUBE Morishita

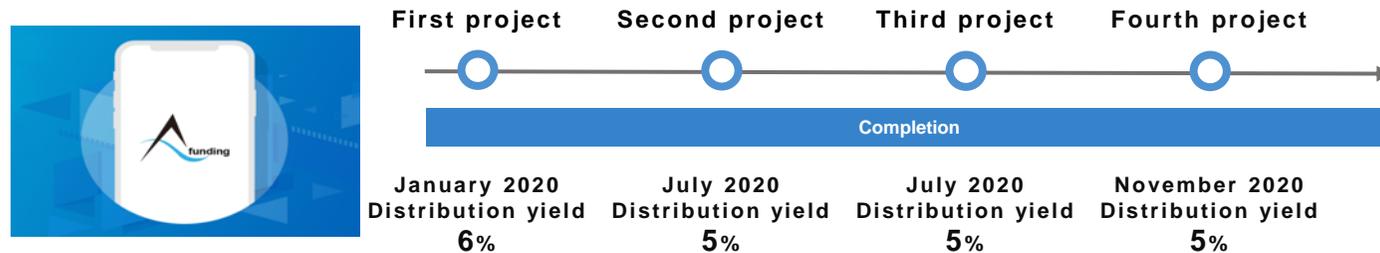
3Q

- Jan. 2021 Launch of sales of PREMIUM CUBE Nakano
- Feb. 2021 Launch of sales of PREMIUM CUBE G Kita-Shinjuku DEUX
- Mar. 2021 Launch of sales of PREMIUM CUBE Higashi-Nakano

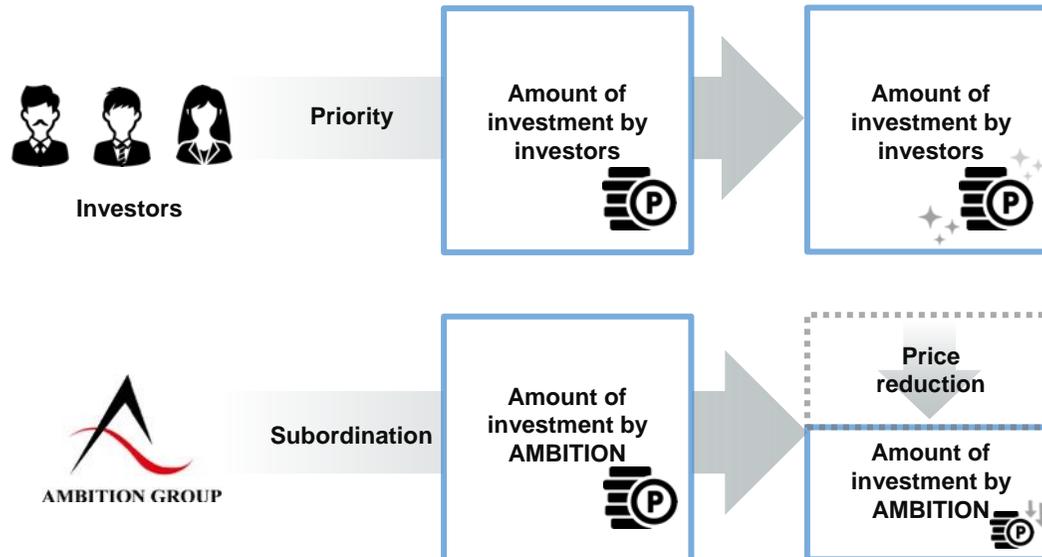


“A funding,” a crowdfunding service for real estate investment, enables online real estate investment in small amounts from 10,000 yen per unit.

Conduct speedy distribution with high returns exceeding the industry average



[Priority and Subordination Scheme [Subordinated equity investment by AMBITION]



Even if the price of real estate in which investments are made decreases, it will be offset by the amount invested by Ambition. It is popular as a low-risk financial instrument as it preferentially protects the amount invested by investors.

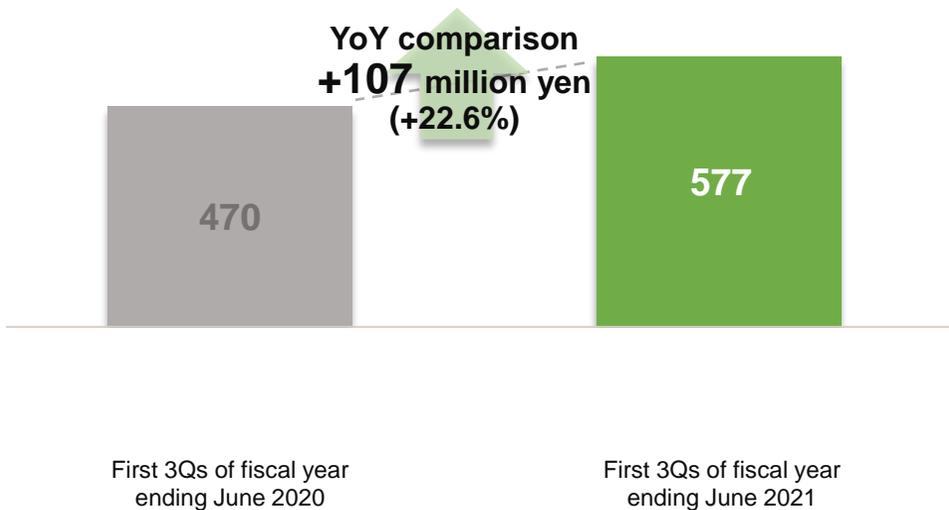
It is enjoying a favorable reputation as many people are on the waiting list immediately after the start of solicitation (2 minutes at the shortest)

Rental Brokerage Business

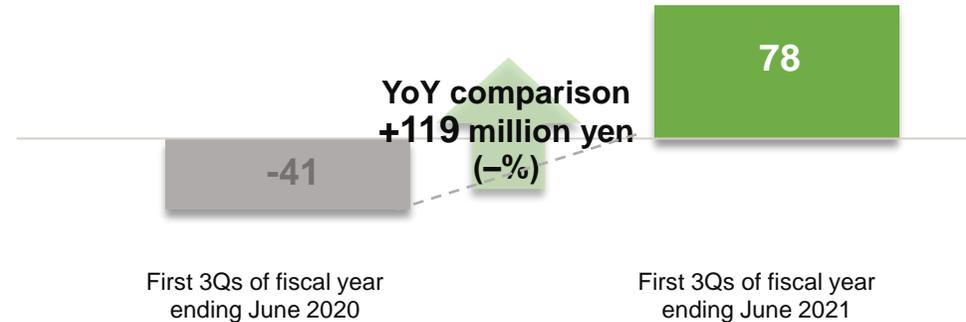
**(Operated by Ambition Rent and Ambition Partner
in addition to Ambition Agency and VALOR)**

- Net sales increased 22.6% year on year due in part to successful online customer attraction through the strengthening of advertising strategy, in addition to a favorable performance in remote customer attraction.
- In terms of segment profit and loss, we succeeded in returning to the black due to improvements in productivity per store (following the strengthening of remote customer attraction and reduction of selling, general and administrative expenses with the introduction of the AI x RPA tool “Rakutech”).

Net Sales (million yen)



Segment Income (million yen)



Although Ambition intends to change its area of focus to attracting customers mainly through websites, it possesses as one of its strengths the leasing capabilities of brick-and-mortar stores, which helps to maintain a high occupancy rate in the mainstay Property Management Business.

ROOMPIA
Tokyo Smart Life

(Ambition Agency)



(VALOR)

Promotion of DX

Opening of branch in Q2

+1 branch

Opened “Roompia Ikebukuro Higashiguchi,” which will become a model branch of “next-generation room searches,” in November 2020

No new branch as of the end of Q3 in the current fiscal year

- Successfully reduced personnel in input operations and increased the number of inquiries substantially with the introduction of AI x RPA tool “Rakutech”
- Strengthen non-face-to-face services such as remote customer service, VR property viewing and electronic contracts

Number of current branches

6 branches

7 branches

(5 branches in Tokyo, 7 in Kanagawa, and 1 in Saitama)

AMBITION AGENCY's PR Strategy

PR strategy using celebrities

Announced January 13, 2021
(3Q)

Participated in “Project to Energize Japan from Small and Enterprises” for which Atsushi Tamura of the London Boots comedy duo serves as official ambassador



Digital Marketing

- Strengthen communication and PR capabilities by using influential celebrities in online ads.
- Seek to create a buzz and improve recognition and ability to attract customers.



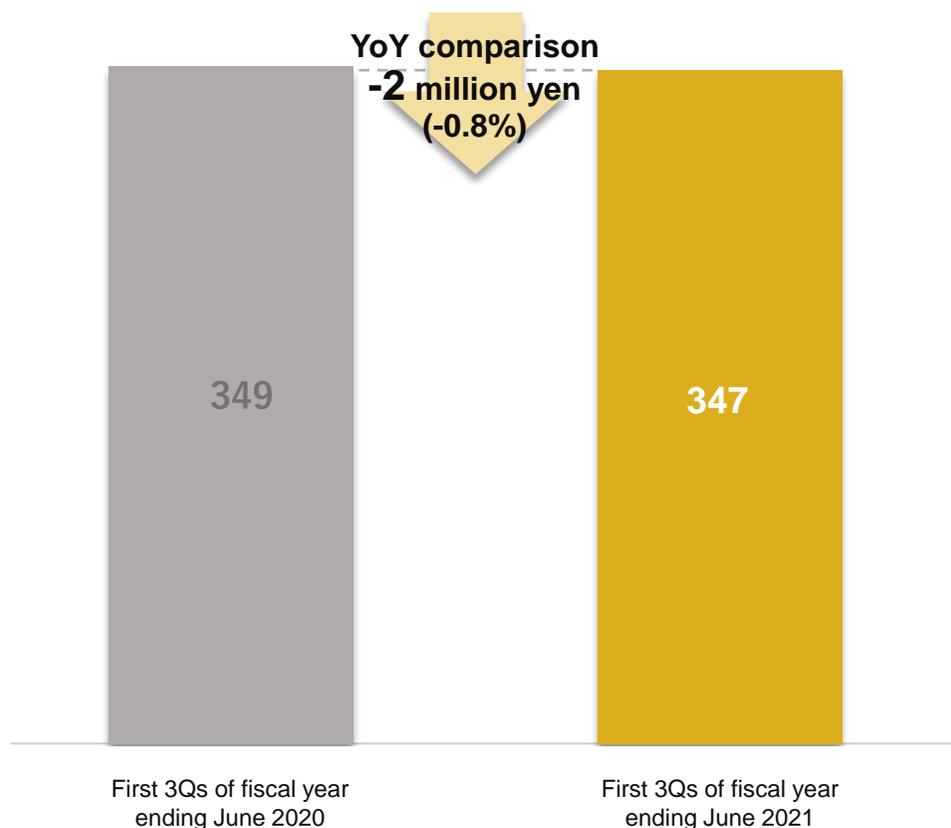
Project URL: <https://nippon-smes-project.com/>

Other Businesses

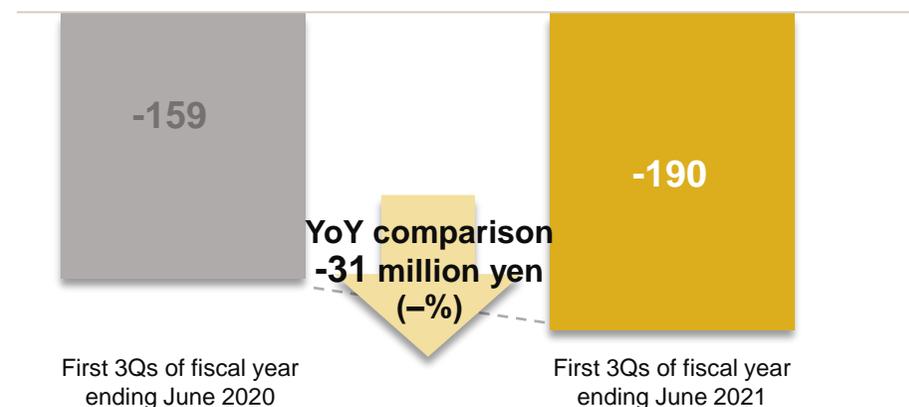
- Real Estate DX Business (Re-Tech RaaS, a new company)
- Small Amounts and Short-Term Insurance Business (Hope)
- Hotel Business (Ambition)
- Overseas System Business (Ambition Vietnam)

- Net sales increased in the Small Amounts and Short-Term Insurance Business due to an increase in the number of new contracts, but decreased 0.8% year on year in the Hotel Business, which experienced a significant adverse impact from COVID-19.
- In terms of segment profit and loss, the loss in the Hotel Business and upfront investment in DX (approx. 150 million yen) resulted in an increased loss.

Net Sales (million yen)



Segment Income (million yen)



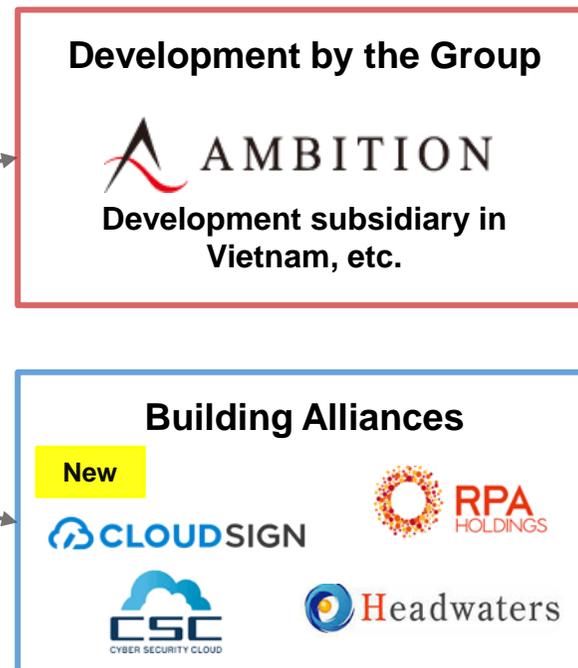
Changed name of “Real Estate Tech Business” to “Real Estate DX Business” in the current fiscal year

Basic policy: Focusing on product development by combining development by the Group and alliances in a balanced way, and transforming labor-intensive real estate business through DX

Strengths of Ambition

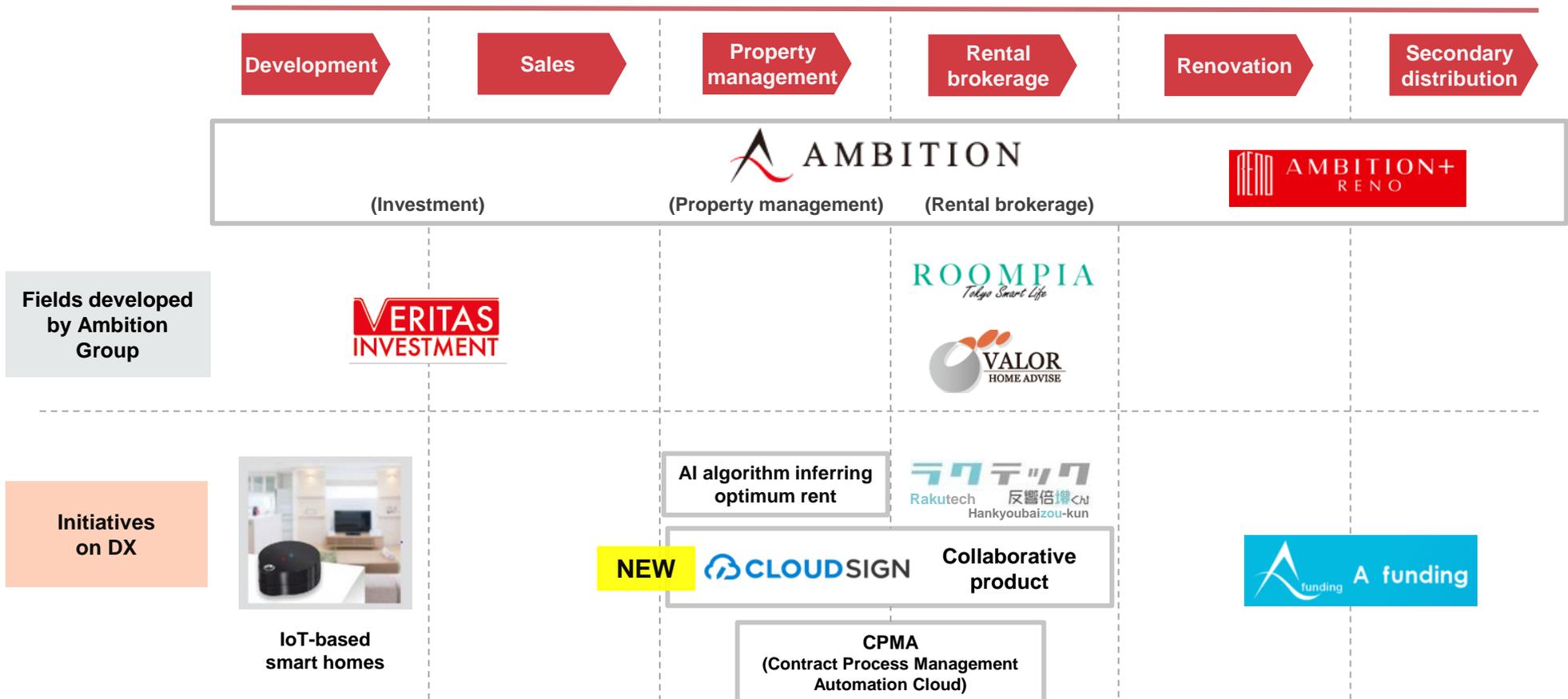


Product Development Structure



As **STEP 1**, initially focus on DX initiatives in the real estate industry with the aim of “accelerating growth in Group businesses” and “creating new revenue sources in an SaaS format” in the real estate field.

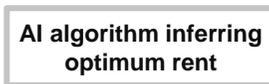
Business Value Chain



- Next, as **STEP 2**, we launched new customer-oriented services (for consumers) in the real estate field. We disclosed the contents of the services when we announced the H1 results on February 12 and launched the services on April 26. (P.12)
- Finally, as **STE 3**, we will consider branching out into new fields beyond real estate.



NEW



An app matching users who are searching for rooms with real estate brokers/salespeople

“Rakutech,” a tool combining AI and RPA launched as a SaaS in **STEP 1** in December 2019, has hitherto been marketed under three brand names, but “ Rakutech Hankyoubai zou kun” will be the main brand moving forward.

Past



Rakutech for brokers



Rakutech 反響倍増くん
Hankyoubai zou-kun



Rakutech for management
companies

Present



Rakutech 反響倍増くん
Hankyoubai zou-kun

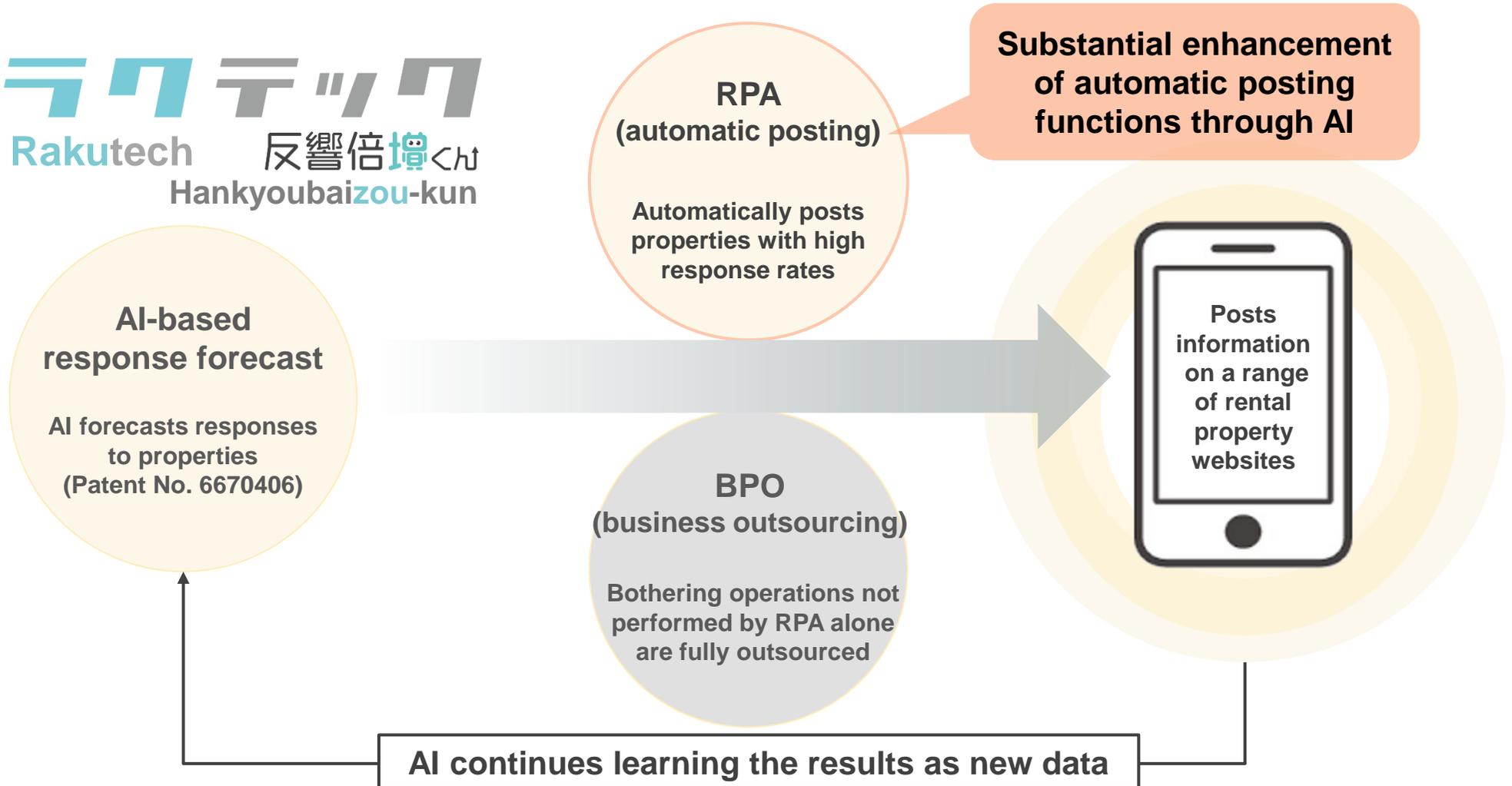
Plan to integrate with Rakutech for
brokers and market as main brand.
Aim for expansion in customer base.




Rakutech for management
companies

AI + RPA + BPO + big data on leasing = overwhelming improvement in work efficiency

Moreover, the accuracy of the AI improves autonomously through continuous learning and inference cycles



Approach around 120,000 real estate management and brokerage companies nationwide through the following initiatives.

Aiming to rapidly expand our share in the real estate RPA market.

Strengthen Marketing



- Strengthen online advertising strategy
- Continuously conduct market research related to AI and RPA

Strengthen Sales



- Expand sales force
- Expand customer service team

Implement Agency and Alliance Strategies



- Expand sales network by entering into new agency agreements

As a new measure in **STEP 1**, we are developing new products along the following two axes through integration with the web-based cloud contract service “Cloud Sign” provided by Bengo4.com, Inc. (6027). We plan to release products one by one.



External product development



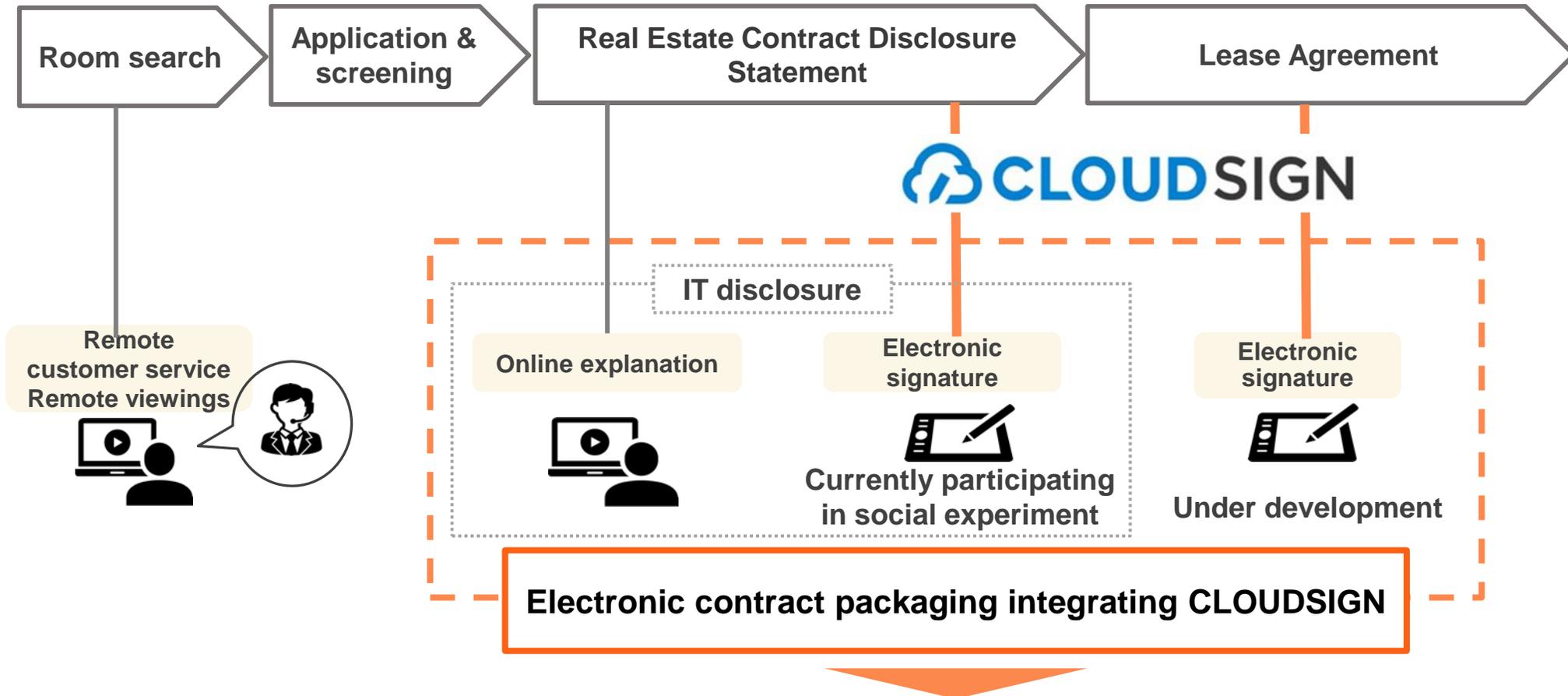
- Plan to introduce electronic contracts using CLOUDSIGN in our own Rental Brokerage Business this spring (P.45)
- Plan to conduct external sales to real estate companies in the future

Improvement of own productivity



- Use of CLOUDSIGN in communication with existing customers in the Property Management Business
- Plan to integrate the contract progress management system CPMA in the Property Management Business before the end of the year
Also aiming to introduce it for new contracts (P.67)

We are currently developing an electronic contract package integrating the CLOUDSIGN service provided by BENG04.COM, INC. After releasing the package, we plan to start using it in our own Rental Brokerage Business first, before branching out into external sales.



Re-Tech RaaS inc. will then begin external sales to real estate companies

* See P. 67 for [Own Model].

Re-Tech RaaS will endeavor to maximize the number of customers acquired in the current fiscal year.



Aim to obtain the top share in the real estate RPA market



Scheduled to make appropriate upfront investments

Previous fiscal year:
Focused on system development staff

Current fiscal year:
Marketing/sales staff and advertising, etc.



Expected to significantly contribute to profits with a high profit margin after turning into the black



Transforming the analog real estate industry

Also eyeing expansion into industries other than real estate in the future

The "New Living Security Insurance Wide," which offers even wider coverage than "New Living Security Insurance" launched in September 2020 (Q1), was released on March 1, 2021 (Q3).

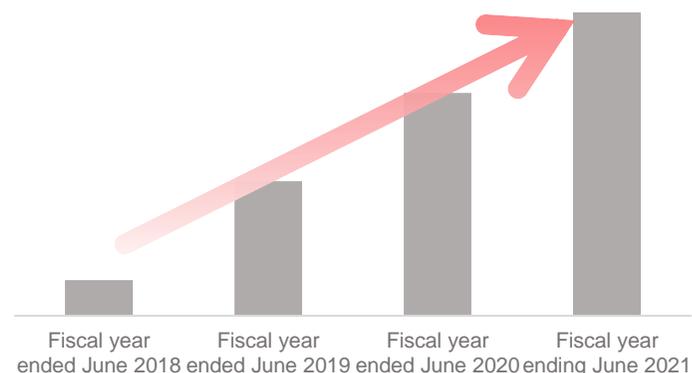
Aim for growth in new contracts by further strengthening market competitiveness.



- Covering the risk of facility damages
- Enhanced coverage of home contents, repair cost, and other services
- Rapid Solution Service for House Problems (24/7 service)



Around 20,000 contracts held currently



Change in the Number of Contracts Held
(illustrative drawing)

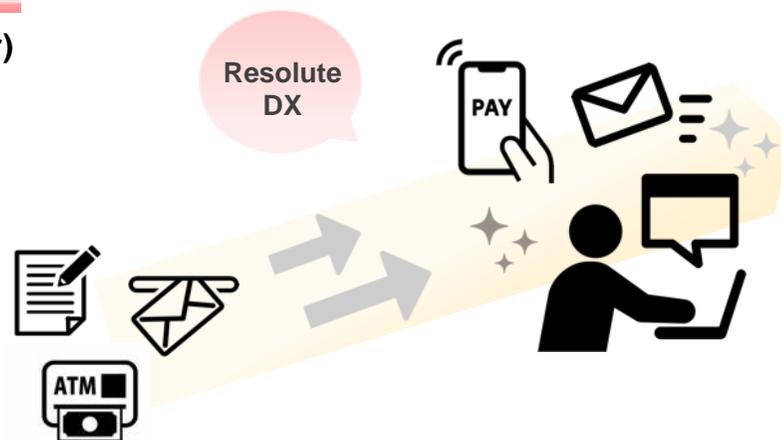
MONOLITH, a system for small amounts and short-term insurance provided by HOPE SSI, which promotes InsurTech

MONOLITH

HOPE SSI CO,LTD

(Q1: Introduced in September)

The system enables complex insurance procedures to be completed in a paperless and cashless manner



- Advantage for customers

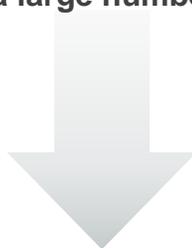
No need to attend in person for any part of the process from application to payment

- Advantage for agents

No need to print or send documents, eliminating the labor involved in sending, collecting the original and checking. The contract rate will also rise by shortening the period from proposal to conclusion of contract.

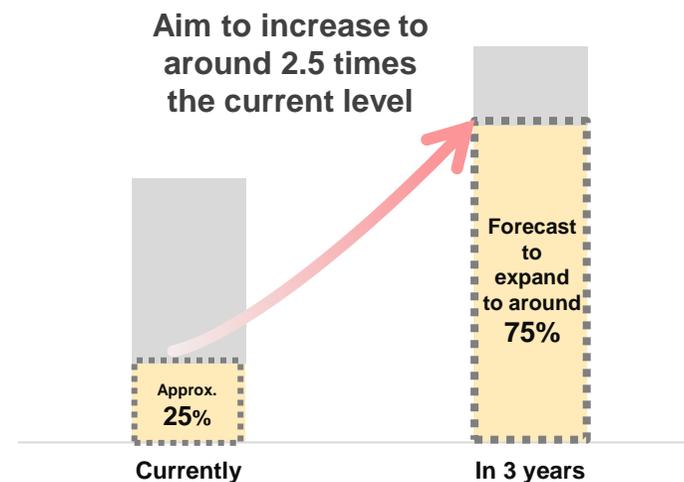
Hope is projected to move into the black in the current fiscal year, the fourth year since it started operations

- Aim to expand our share by increasing the number of new contracts and agents by promoting InsurTech
- Aim to win contracts with property management companies with a large number of managed units



Stock business reliably generating profits after moving into the black

Projected change in number of HOPE users at properties managed by AMBITION CORPORATION



- **[Osaka] Hommachi East**
Currently operating with comprehensive implementation of COVID-19 prevention measures
 - **[Tokyo] Asakusa**
Suspended operations again in November in response to weak inbound demand due to COVID-19
- * Contract with [Tokyo] Kanda was terminated at the end of March (end of Q3).



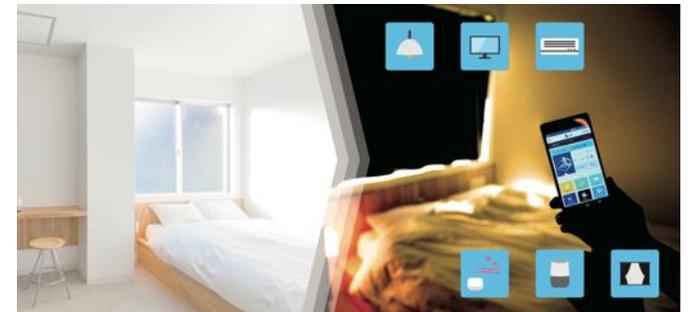
Measures to Prevent Infection from COVID-19

<For staff>

- In consideration of the health and safety of staff, staff are to wear a face mask while working.
- Health checks and measurements of body temperature are required of staff upon arrival at work (rest at home if 37.5°C or higher).
- Thoroughly ensuring frequent washing of hands and gargling during and out of work.

<For guests>

- All guest rooms have the inside of room disinfected using hypochlorous acid prior to check-in.
- All guest rooms are equipped with hand soap and mouthwash.
- Guests can rent thermometers free of charge to measure their body temperature.



From April 28 to June 30, 2021 (Q4), we provided an accommodation service* featuring collaboration with “Osomatsu-san,” a popular anime character, at &AND HOSTEL HOMMACHI EAST in Osaka.

Limited-time
offer

[Special IoT
experience]

A dedicated
smartphone with an
augmented reality (AR)
function allows guests
to enjoy experiencing
the world of
“Osomatsu-san.”



* A variation of the guestroom featuring collaboration with “Osomatsu-san,” which was offered at EJ Hotel (a hotel featuring special experience offered to guests, which operates guestrooms in collaboration with various IP under the concept of “Staying in a story you love”) in Tokorozawa Sakura Town operated by KADOKAWA Corporation. Offering of this guestroom ended with very positive feedback.

International operations have been run through our affiliate in Vietnam since it was established in April 2015.

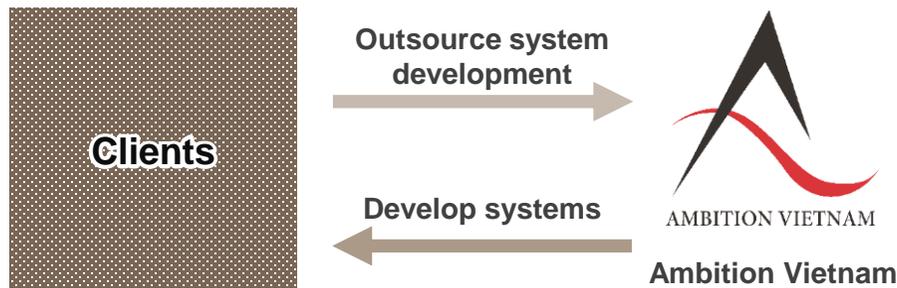
Addressing the shortage of engineers in the real estate industry by offshoring

<<Major Operations>>

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

We are engaged in development and renovation not only for the real estate business but also for the creation of a better life. In operating a real estate business, Ambition Vietnam provides brokerage services centering on real estate leasing and purchase/sale by fusing IT and Ambition's businesses.

Model Diagram of Outsourced System Development



04

Forecast for the Current Fiscal Year

**Forecast for the
Current Fiscal Year**

**Sales and profit are expected to see double-digit increases.
Net sales is expected to exceed 30 billion yen.**

(Unit: million yen)	Results for fiscal year ended June 2020 (A)	Forecast for fiscal year ending June 2021 (B) ^(Note 1)	YoY comparison (B/A)
Net sales	27,414	30,628	+11.7%
EBITDA (Reference value)	1,173	1,372 ^(Note 2)	+16.9%
Operating profit	921	1,121	+21.6%
Ordinary profit	817	961	+17.6%
Profit attributable to owners of parent	327	589	+79.9%

(Note 1) Business forecasts and other forward-looking statements in this document are based on information currently available to Ambition as well as certain assumptions deemed rational. Therefore, actual results may differ significantly due to various factors.

(Note 2) The EBITDA forecast for fiscal year ending June 2021 is lower than the figure for the initial forecast (1,516) in the materials disclosed at the time of the announcement of the H1 results. This is because of a change in the conditions for inclusion of depreciation in the Hotel Business.

We will continue with a plan for stable shareholder returns going forward while conducting proactive upfront investment in growth areas.

Expect a significant increase in the current fiscal year.

Fiscal year ending June 2021 (forecast)

Maintain the payout ratio as in the previous fiscal year and increase period-end distribution amount by 6 yen.

13.60 yen per share

Payout ratio: 15.7%

Fiscal year ended June 2020 (actual)

7.58 yen per share

Payout ratio: 15.7%

05

Mid-Term Policy

Mid-Term Policy

We will expand the stable revenue base of existing real estate businesses centered on the Property Management Business, which is a stock business.

While actively promoting new businesses centering on DX in the residential field, we will aim to become a leading company in the real estate industry in both the physical and digital realms.

Existing Businesses

The growth of the Property Management Business, which is relatively unaffected by the economy and whose revenue base continues to expand, will be the core. Promote an increase in managed units (KPI) centering on studio condominiums in Tokyo, which already holds a large share.

In the Investment Business and Rental Brokerage Business, aim for revenue contribution by actively and carefully accelerating activities.

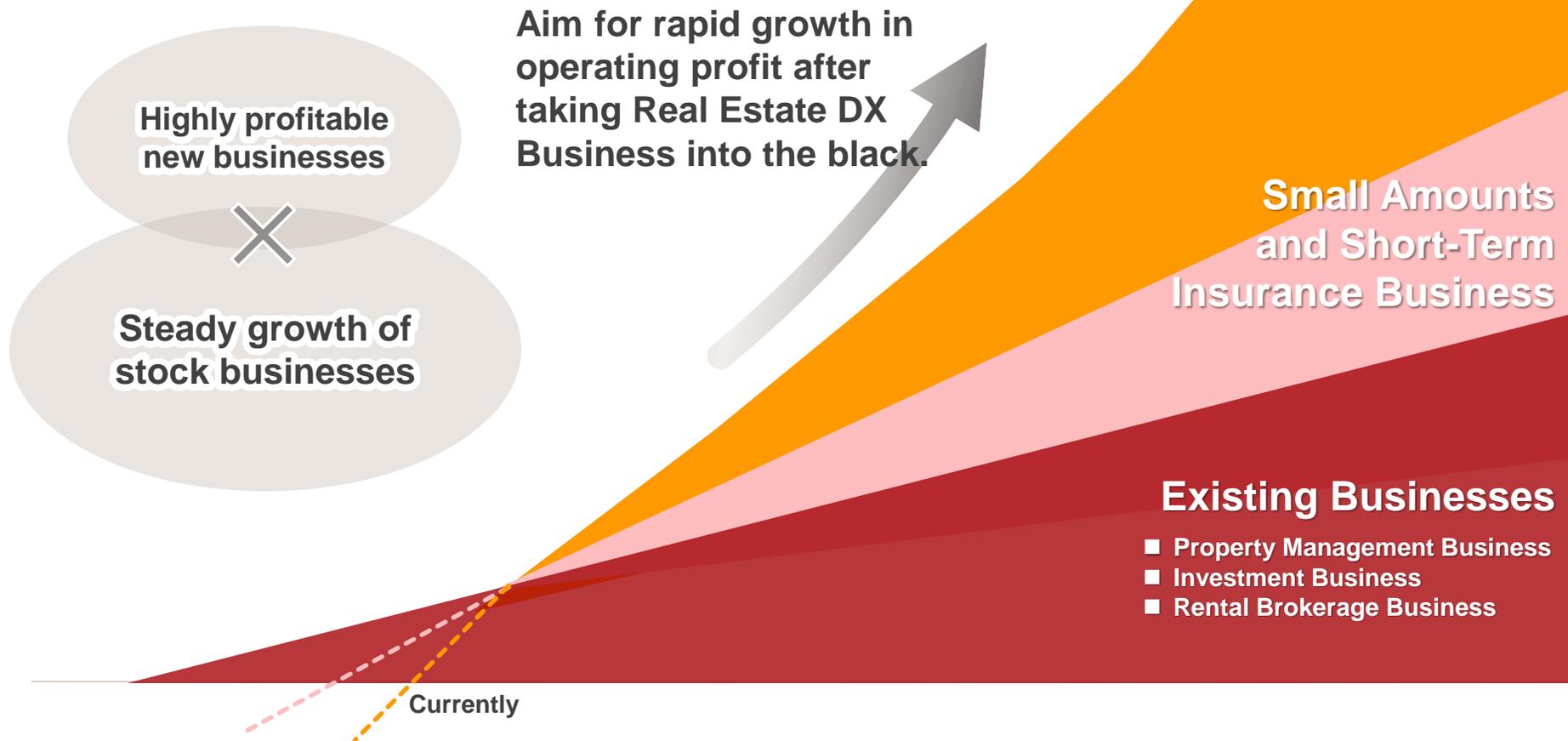
New Businesses

Aim for an expansion of the share of “Rakutech,” a tool combining AI and RPA in the Real Estate DX Business.

Given the SaaS model, large contributions to revenue can be expected after becoming profitable.

Meanwhile, continue to promote InsureTech in the Small Amounts and Short-Term Insurance Business, a stock business, focusing on increasing the number of contracts and agents.

Ambition Group aims for rapid growth in its performance after making new businesses profitable, while strongly improving the performance of existing businesses.



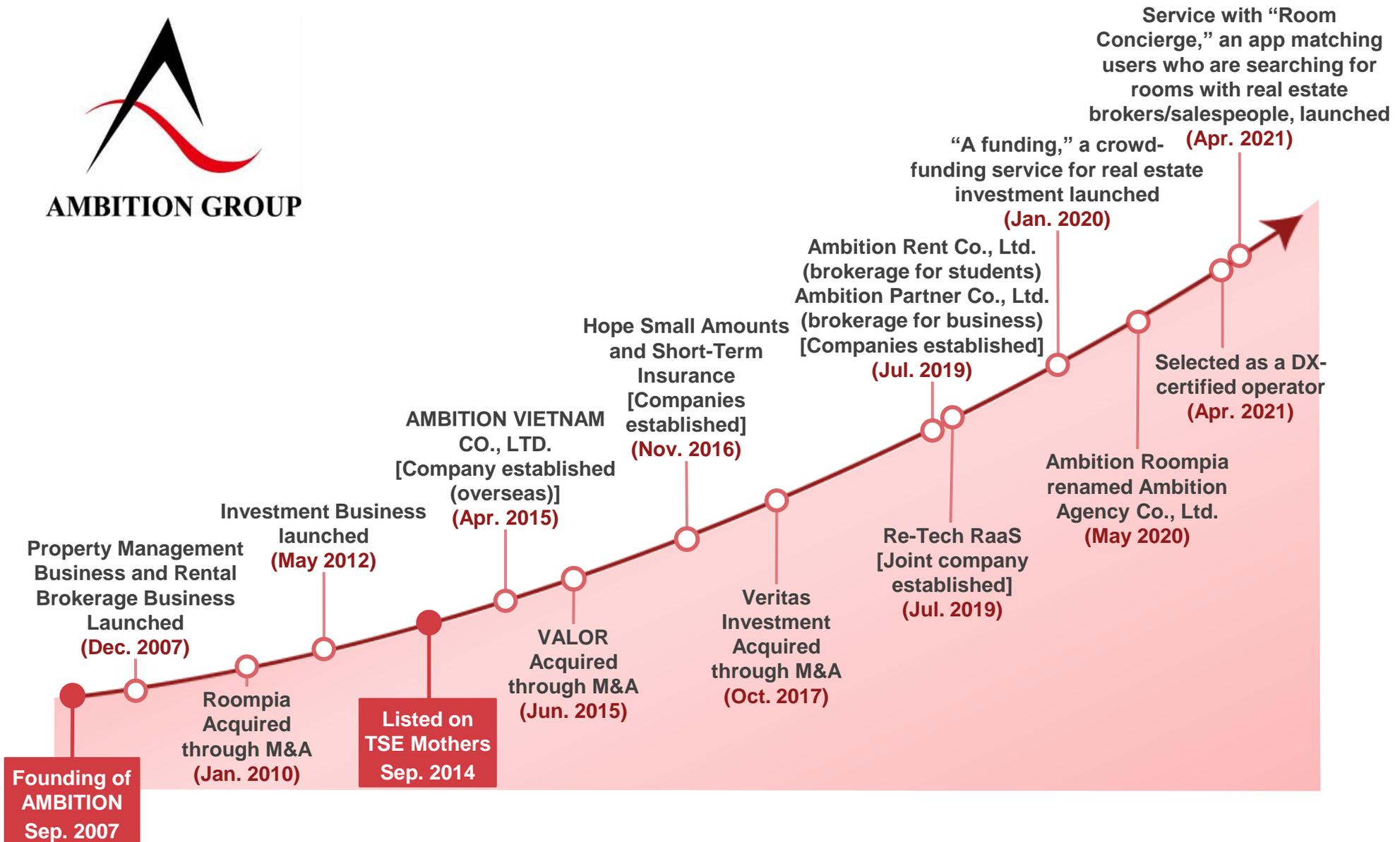
APPENDIX

Profile of Ambition Group Companies

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.)
Real estate transaction business license number	Minister of Land, Infrastructure, Transport and Tourism (3) No. 8023
Head office location	Sumitomo Fudosan Harajuku Building 18F, 2-34-17 Jingumae, Shibuya-ku, Tokyo
Department	Property Management Department / Investment Department / Information Strategy Division / Leasing Brokerage Division / Business Administration Department / Corporate Planning Office / Financial Affairs & Accounting Division / Internal Audit Office
Consolidated subsidiary	Veritas Investment Co., Ltd. VISION Co., Ltd. (Subsidiary of Veritas) Ambition Agency Co., Ltd. VALOR Co., Ltd. Ambition Partner Co., Ltd. Ambition Rent Co., Ltd. Re-Tech RaaS Inc. Hope Small Amounts and Short-Term Insurance Co., Ltd. AMBITION VIETNAM CO., LTD.
Partner banks	MUFG Bank, Resona Bank, Mizuho Bank, Sumitomo Mitsui Banking Corporation, ORIX Bank Corporation, Chiba Bank, etc.

Company name	Ambition Agency Co., Ltd.
Representative	Toru Oishi
Directors	Takumi Suzuki, Director; Masaaki Yamaguchi, Director; Fumiyoshi Ozeki, Auditor
Real estate transaction business license number	Minister of Land, Infrastructure, Transport and Tourism (1) No. 9692
Head office location	Sumitomo Fudosan Harajuku Building 16F, 2-34-17 Jingumae, Shibuya-ku, Tokyo
Branches	Naka-Meguro Branch, Takadanobaba Branch, Ginza Branch, Web Division, Higashi-Omiya Branch, Ikebukuro Higashiguchi Branch
Company name	VALOR Co., Ltd.
Representative	Naoto Tamura
Directors	Takumi Suzuki, Director; Kazuto Sato, Director; Fumiyoshi Ozeki, Auditor
Real estate transaction business license number	Minister of Land, Infrastructure, Transport and Tourism (1) No. 9662
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, Yokohama Okano Branch, Sagami-Ono Branch
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; Fumiyoshi Ozeki, Auditor
Real estate transaction business 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
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

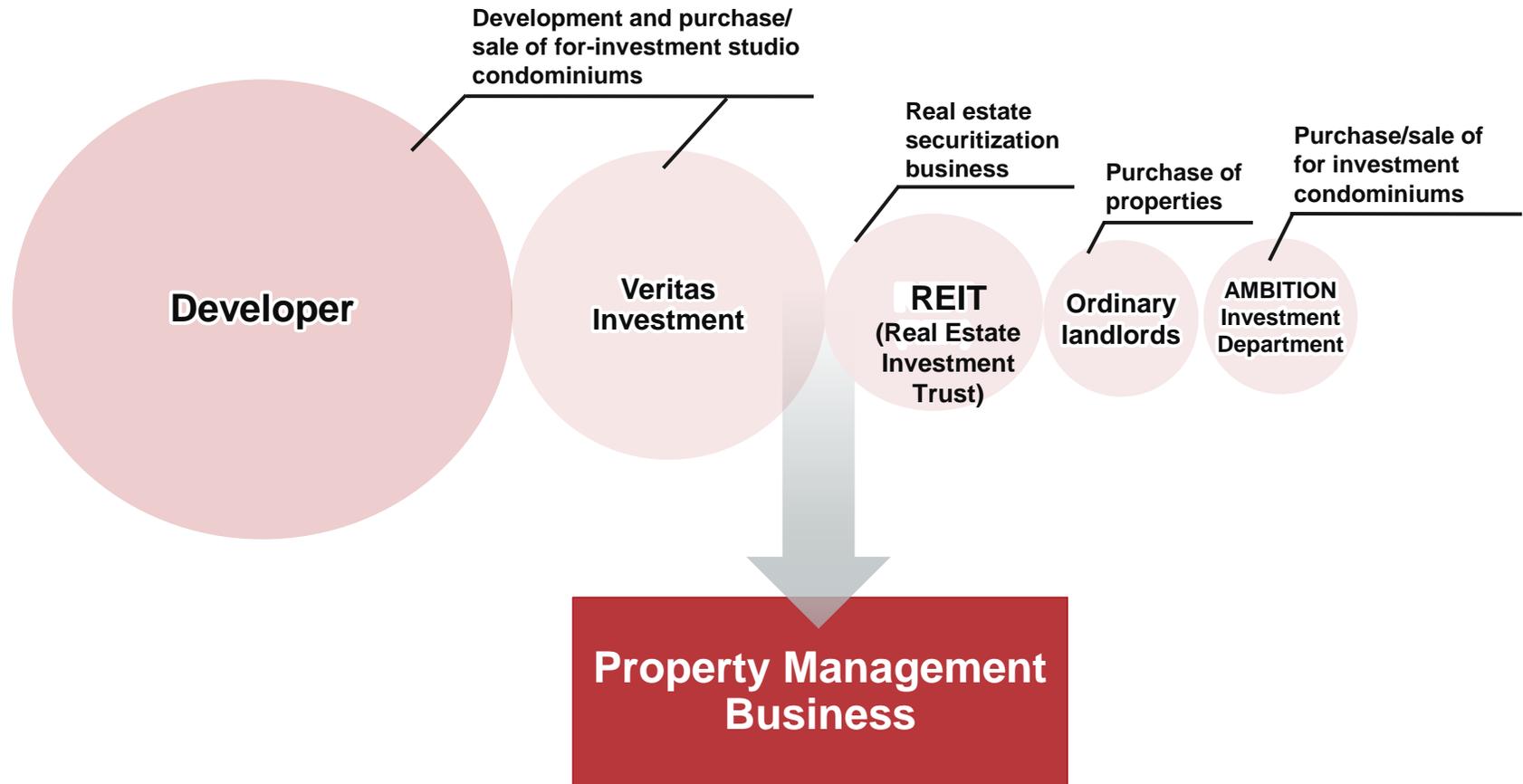
History of AMBITION GROUP



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

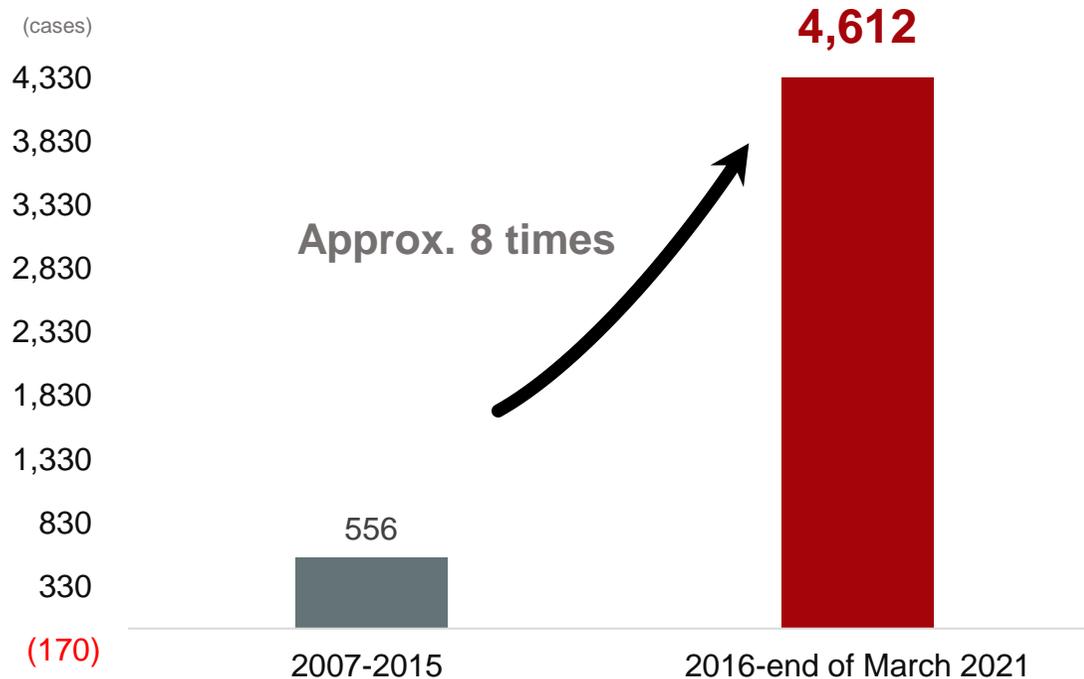
Continue to strengthen the property supply pipeline for increasing the number of managed units, which is the KPI.

Property Supply Pipeline

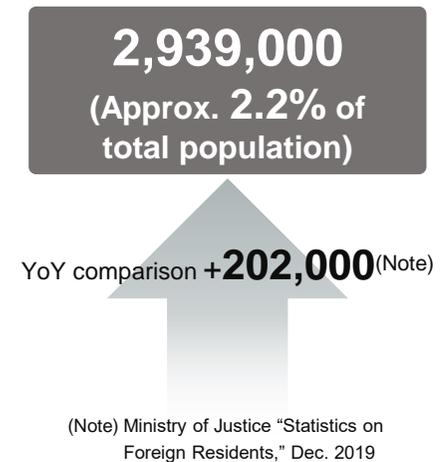


While inbound demand is stagnant due to COVID-19, the rate of foreign residents in the 21,476 units managed by AMBITION was 9.9% (as of the end of Q3), exceeding the level before the outbreak of COVID-19 (9.1% at the end of Dec. 2019), through the incorporation of demand from foreign residents for relocations by way of brokers specializing in foreign nationals.

Number of Contracts with Foreign Residents in Properties Managed by Ambition



Number of Foreign Residents in Japan



We are expanding our initiatives with Market Enterprise Co., Ltd. <3135>, which operates the “Oikura” purchasing platform, aiming to create a one stop shop for all moving needs including real estate appraisal and purchasing.



**Initiative on
formation of
business alliance**

**Needs for purchasing
unnecessary items upon
relocation by customers of
Ambition**

**Assessment and comparison of the
purchase price as well as the sale of
unnecessary items is possible in a
single request**

**Additional
initiative**

**Launch real estate appraisal
and purchasing service from
January 2021 (Q2)
Build new real estate
purchasing pipeline**

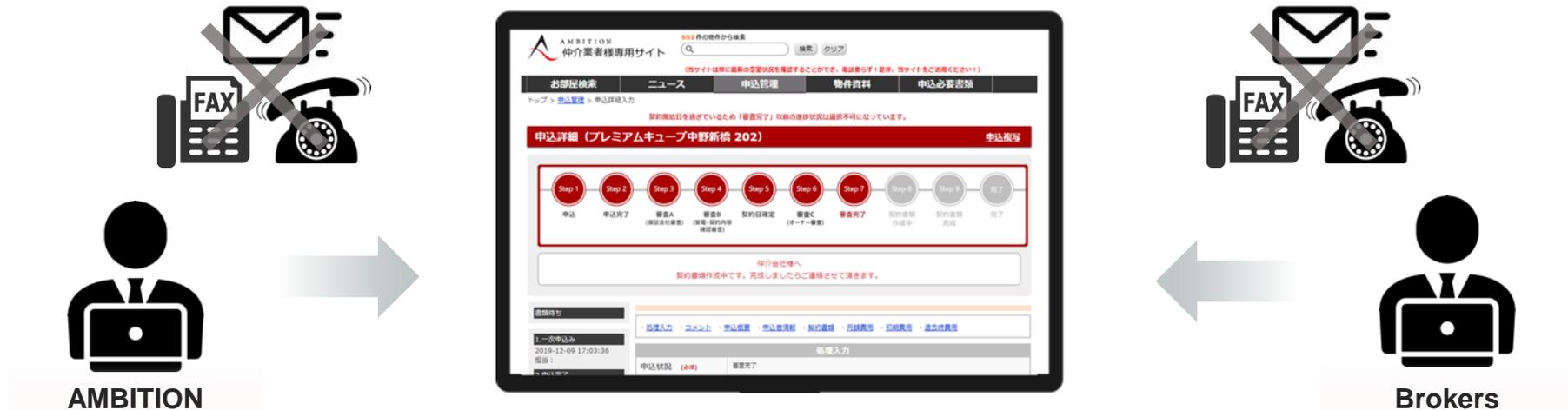
**Real estate purchasing needs
of “Oikura” customers**

Measure 4.

Introduced “CPMA*,” a contract progress management system for the online “visualization” of communication with brokers conducted via phone or FAX, in October 2018

⇒ Q2: Customized to encourage further improvement in business efficiency

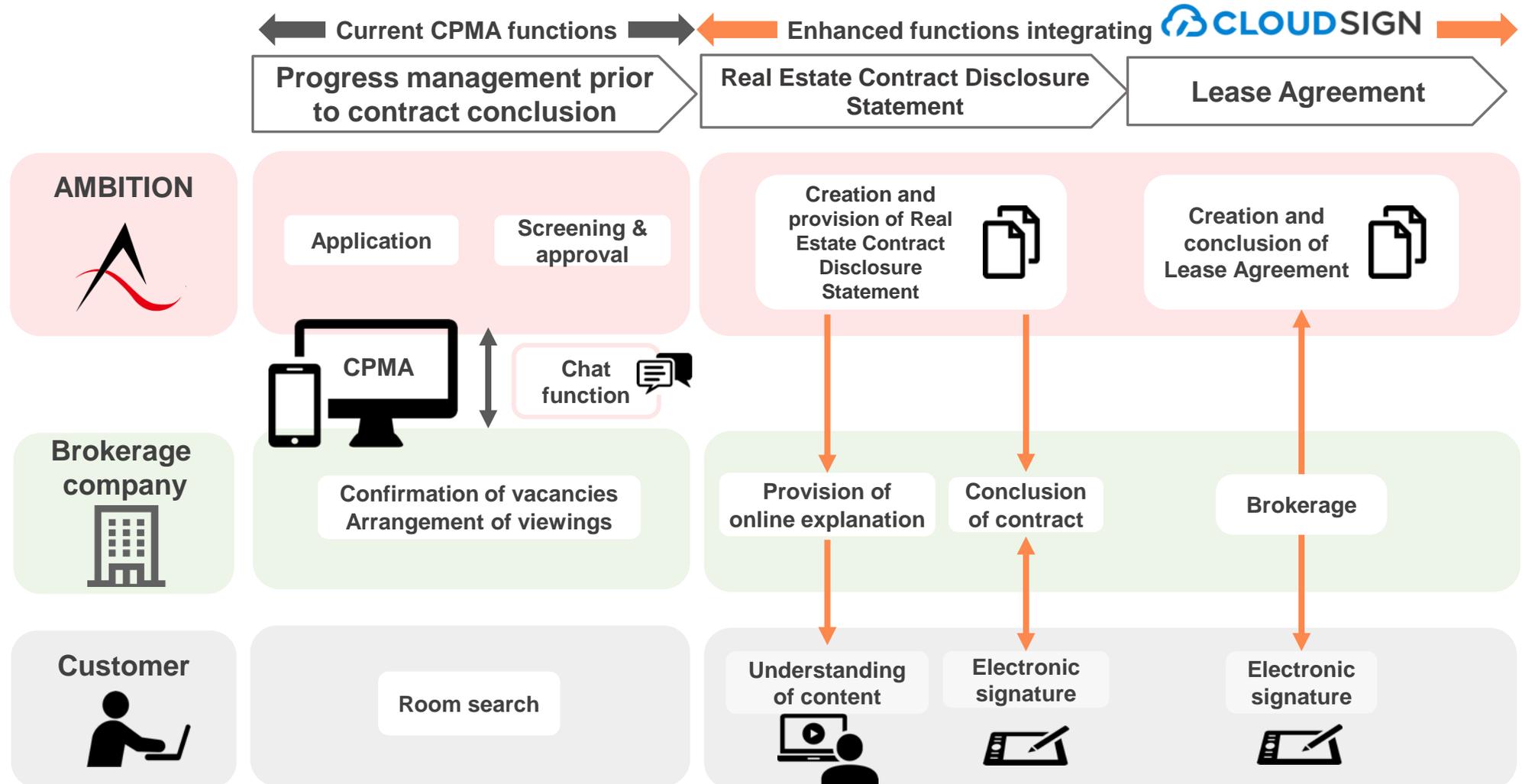
“CPMA,” contract progress management system



- 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

* Acronym of Contract Process Management Automation

By integrating CLOUDSIGN with "CPMA," the contract progress management system used in the Property Management Business, we will achieve greater business efficiency and higher productivity.





Sales of Veritas Investment's new designer condominiums for investment was favorable

The most important thing in sales of studio condominiums for investment is to minimize risk for investors
 The properties of Veritas have helped many investors avoid risks by realizing “high rent x high occupancy rate = high return”

PREMIUM CUBE Series

Realized the creation of premium asset value from “location,” “design” and “facility specifications” (CUBE)



Curation by a famous designer
 + Tokyo Premium Area*

High rent x High occupancy rate = High return



PREMIUM CUBE G
 Kita-Shinjuku DEUX



PREMIUM CUBE
 Higashi-Nakano

*: Tokyo Premium Area: Meguro Ward, Shibuya Ward, Shinjuku Ward, Minato Ward, Shinagawa Ward, and Chuo Ward

The Investment Department at the main unit of AMBITION excels in “maximization of value” of used properties with a focus on location (Tokyo Premium Area)

[Business]

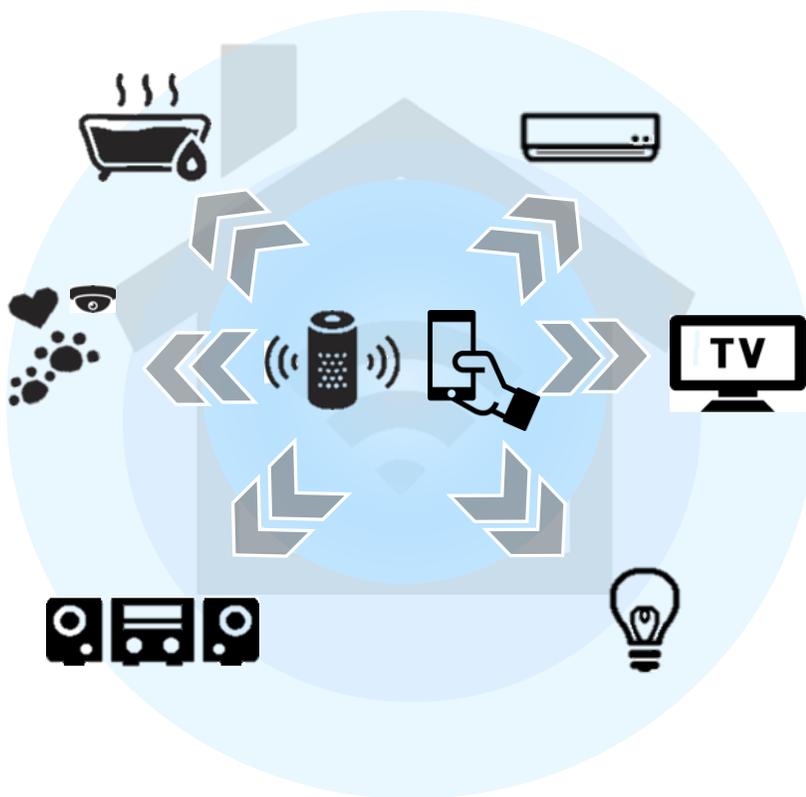
- Sale of entire real estate
- Renovation/resale of for-sale condominiums <Used>
- Real estate brokerage

Developing a unique renovation brand “AMBITION + RENO,” and creating and providing new value in housing.



Veritas adds IoT to “Tokyo x Designers x Studio Condominiums”

Creation of a new condominium standard in Tokyo realizing support for safer, more comfortable urban living



VERITAS
INVESTMENT

Using remote controllers for home appliances

Residents

Using smartphones when going out
Using smart speakers at home
Controlling home appliances

Status of property management and notification function

Owners

Notification of management status
Smooth contact through chats

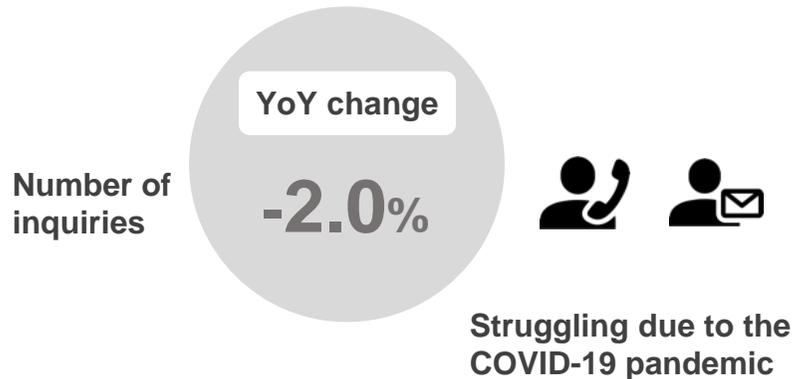
Provision of information on condominium management

Owners

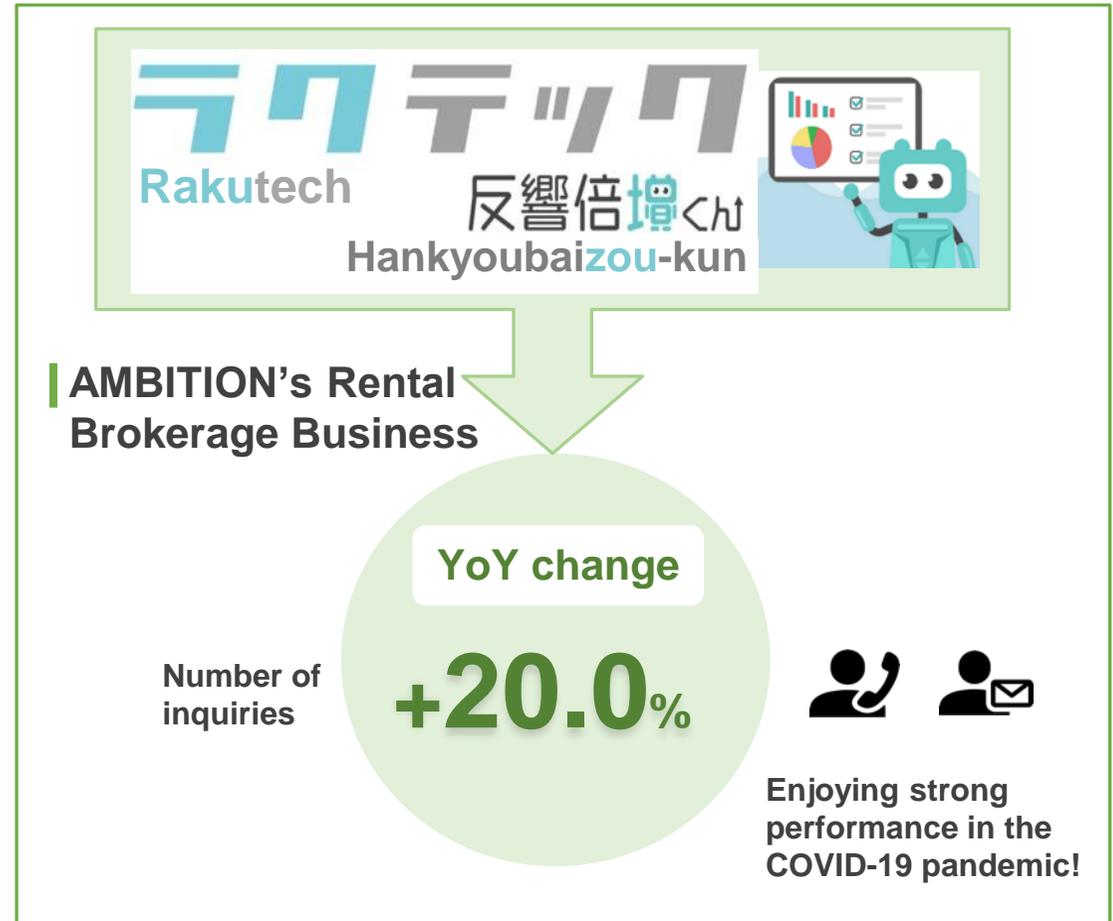
Information on real estate investment and condominium management
Distribution of property information and provision of useful information

The Rental Brokerage Business of AMBITION saw an increase in the number of inquiries due to the use of AI x RPA tool “Rakutech.”

Overall rental brokerage industry in the Tokyo Metropolitan Area



AMBITION's Rental Brokerage Business



*Source: A business sentiment survey of local real estate brokers by At Home Co., Ltd. (Oct-Dec quarter of 2020)
<https://athome-inc.jp/wp-content/themes/news/pdf/keikyoukan-2020-fourthquarter/keikyoukan-2020-fourthquarter.pdf>
(Japanese only)

A range of initiatives to realize DX in the “residential” field



Promoting RPA (Robotic Process Automation)



Establishment of
Re-Tech RaaS



Development and marketing of
“Rakutech,” an RPA tool
incorporating AI

Going Paperless



Promotion of electronic contracts
through business alliance



Proactive investment in IT systems
aiming to realize a society where
real estate contract disclosure
statements are explained online

Evolving Customer Experience



Initiatives on IoT-based
smart homes



Attempts on VR services to
allow remote property viewing

The “Rakutech” series by Re-Tech RaaS is a real estate RPA package offering advanced functions such as AI forecasts and BPO in addition to regular RPA functions

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



Cumbersome exchange of massive amounts of paper and documents



Introduce “Rakutech”



Cumbersome data input and output

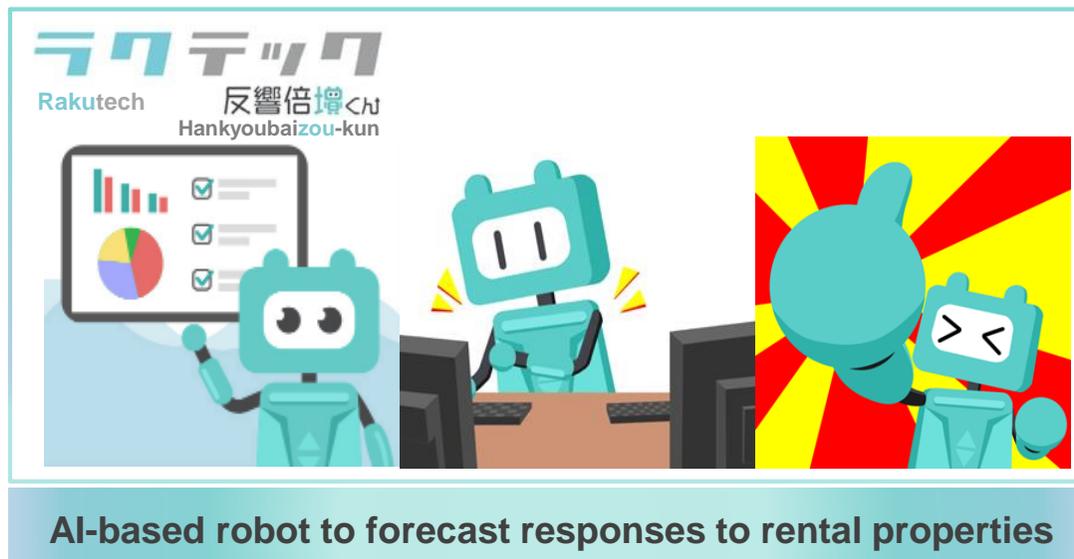


Focus on core jobs and make progress in business growth



Forecasting responses to properties using AI based on abundant big data on leasing provides a major market advantage

(Patent No. 6670406)



AI-based robot to forecast responses to rental properties

With real estate knowledge installed in RPA, AI analyzes property information to predict “properties that customers want to rent.”

AI-related patents have been obtained to establish market advantage for Rakutech.

Advantages of Customers Using the Product

Well received as a robot for increasing work efficiency and capturing customer needs, as shown in the comment: “Even a part-time worker can enter property information instead of the shop manager and receive more inquiries (customer reactions) than the shop manager.”

The more Rakutech is used, the more its accuracy improves, as it creates a model utilizing the user’s original features, repeatedly conducts learning, and forecasts inquiries from customers in consideration of the seasonal characteristics.

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 the vibrant communication only possible at hostels.

& AND HOSTEL



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Forecasts include various uncertain factors and actual performance may differ materially from these future outlooks.

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