TATERU, Inc.
FY2018
FINANCIAL RESULTS

FY2018 Financial Results Briefing Materials

February 2019 TATERU, Inc. (TSE1:1435)

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TATERU

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Regarding Measures to Prevent Reoccurrence

As announced and detailed in the "Notice Concerning Receipt of Results of Investigation Report (Summary) from Special Investigation Committee and Future Measures" on December 27, 2018, it was discovered that an employee of the Company manipulated deposit balance data received from a client to make it easier for the client to pass a loan screening by making the balance amount seem higher than it was and submitting the data to a financial institution. Taking this result into account, a "Special Investigation Committee" was established, consisting of external expert advisors, and an investigation was conducted. On the day of this notice, the Company received the results of the investigation report from the Special Investigation Committee, which included contents such as results of the investigation, study on contributing factors, and measures to prevent reoccurrence.

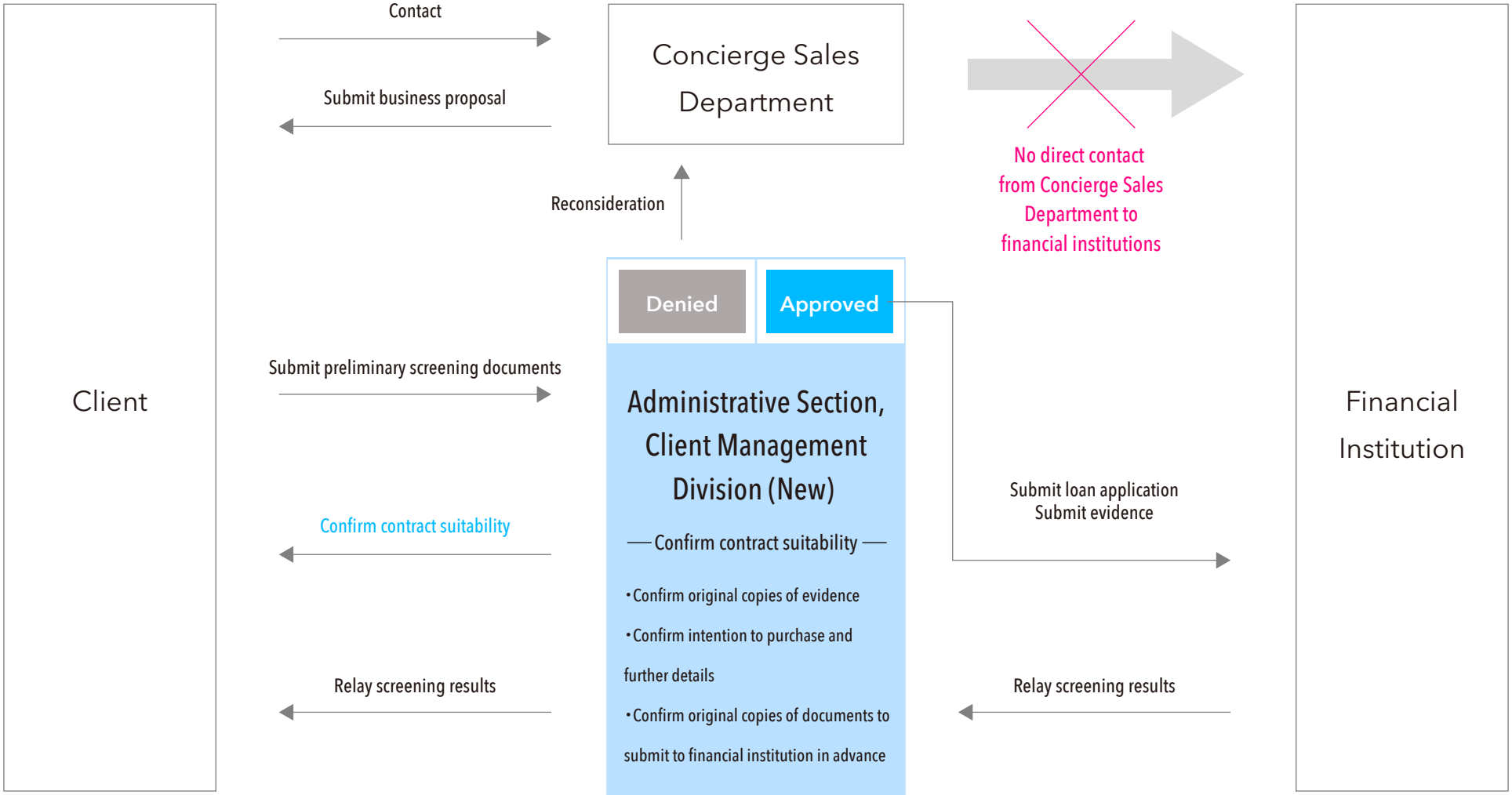
The Company wishes to extend its sincerest apologies for the considerable concern and trouble caused to shareholders and other persons concerned. Moving forward, the Company will steadily implement measures to prevent reoccurrence and ensure thorough awareness of compliance in an effort to restore trust, and therefore asks for your continued understanding and support.

Primary Measures to Prevent Reoccurrence

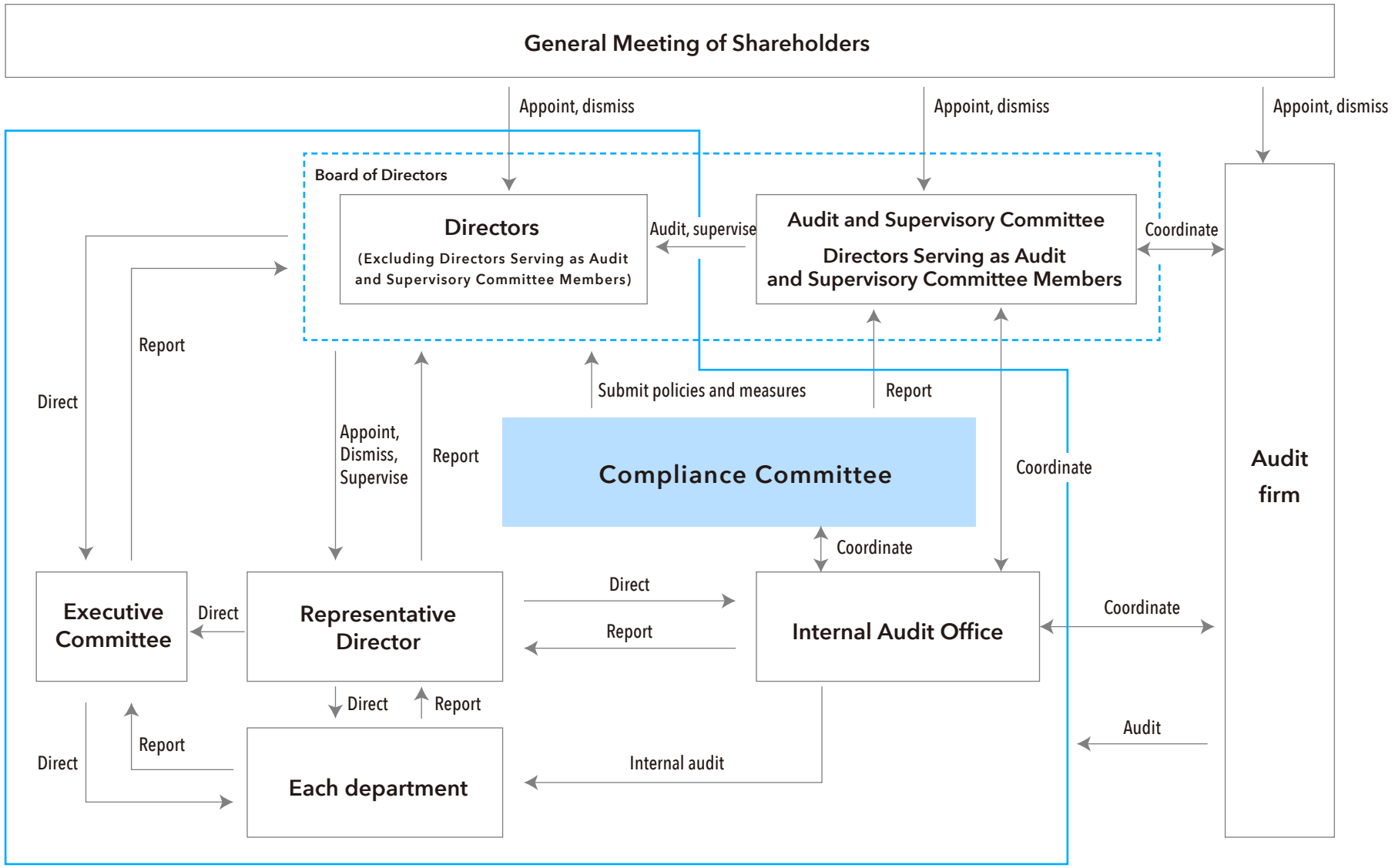
● Modifying Operational Workflows	Establishment of the "Administrative Section," a new department independent of sales representatives
● Stricter Contract Suitability Procedures	Mandatory confirmation of original copies of balance data for deposit passbooks, etc.
● Operational Monitoring	Monitoring (unannounced inspections) by the Internal Audit Office
● Revision of Compliance Structures	Clear messages on compliance sent out from top management regularly, improvement of compliance awareness by strengthening and revising compliance education and training structures
● Enrichment of Whistleblowing System	Establishment of an external compliance hotline for related parties (clients and transaction partners) by October 1, 2018

Establishing Administrative Section, Client Management Division

Stricter Contract Suitability Procedures

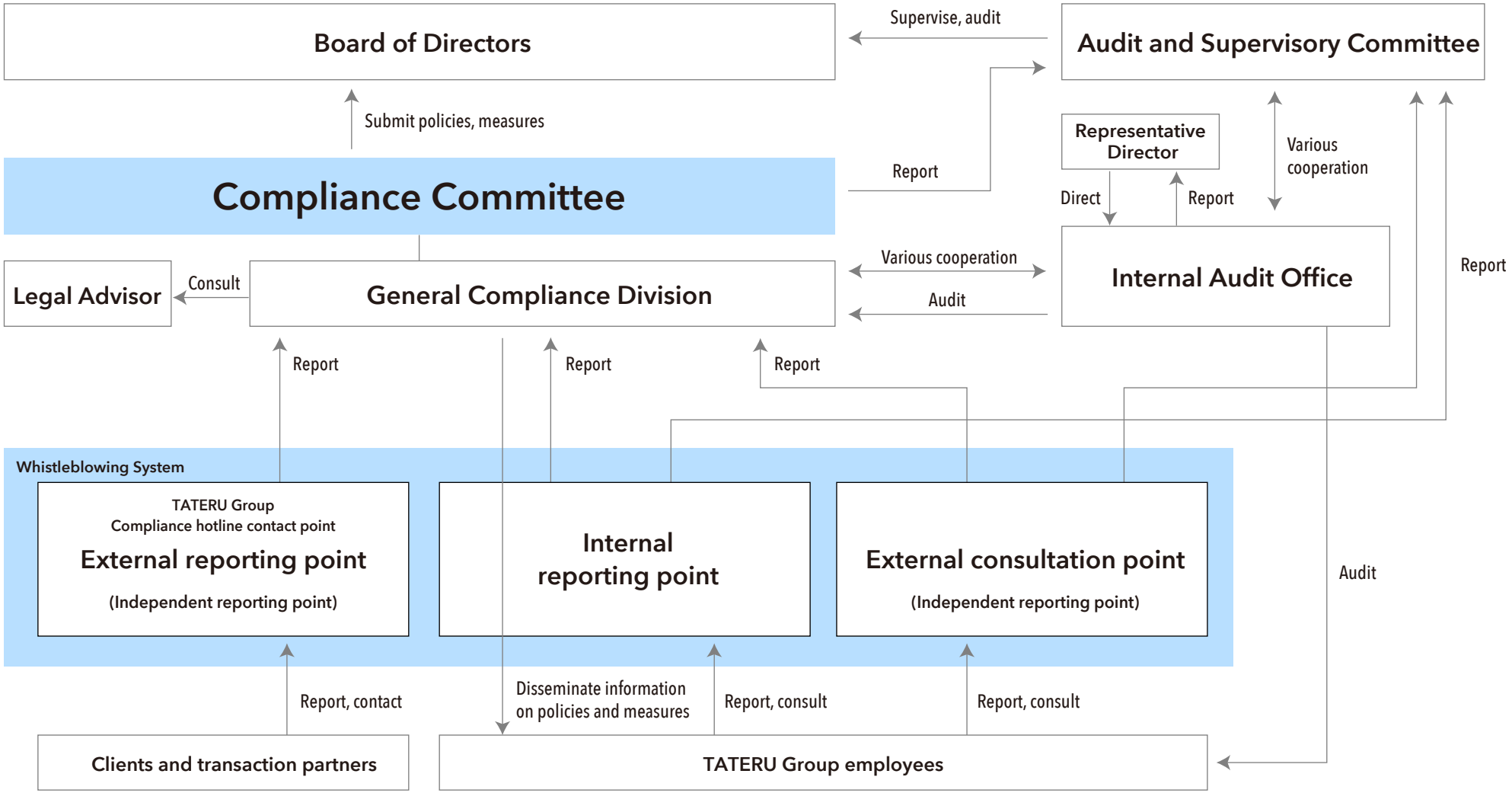


Corporate Governance Structure



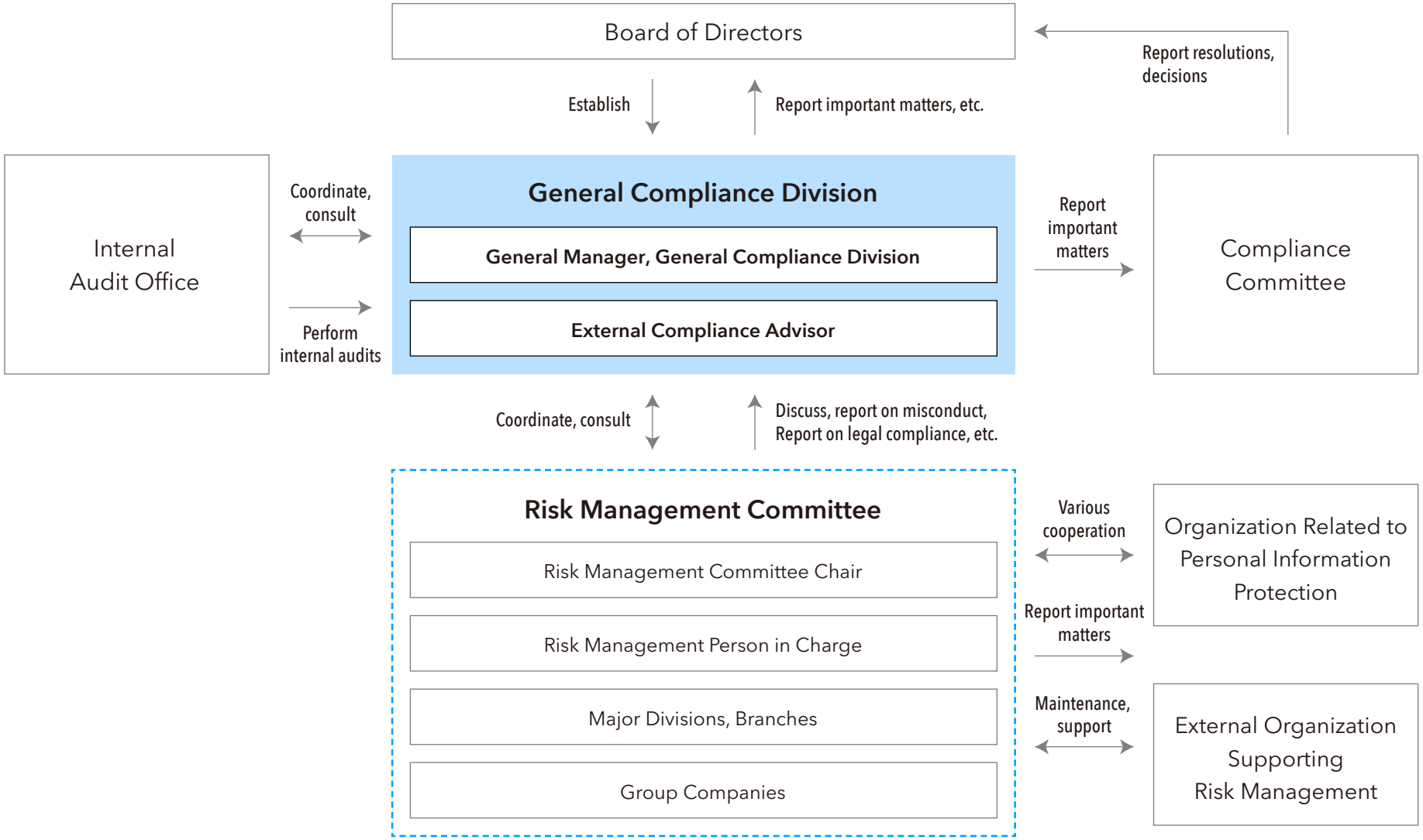
Enrichment of Whistleblowing System

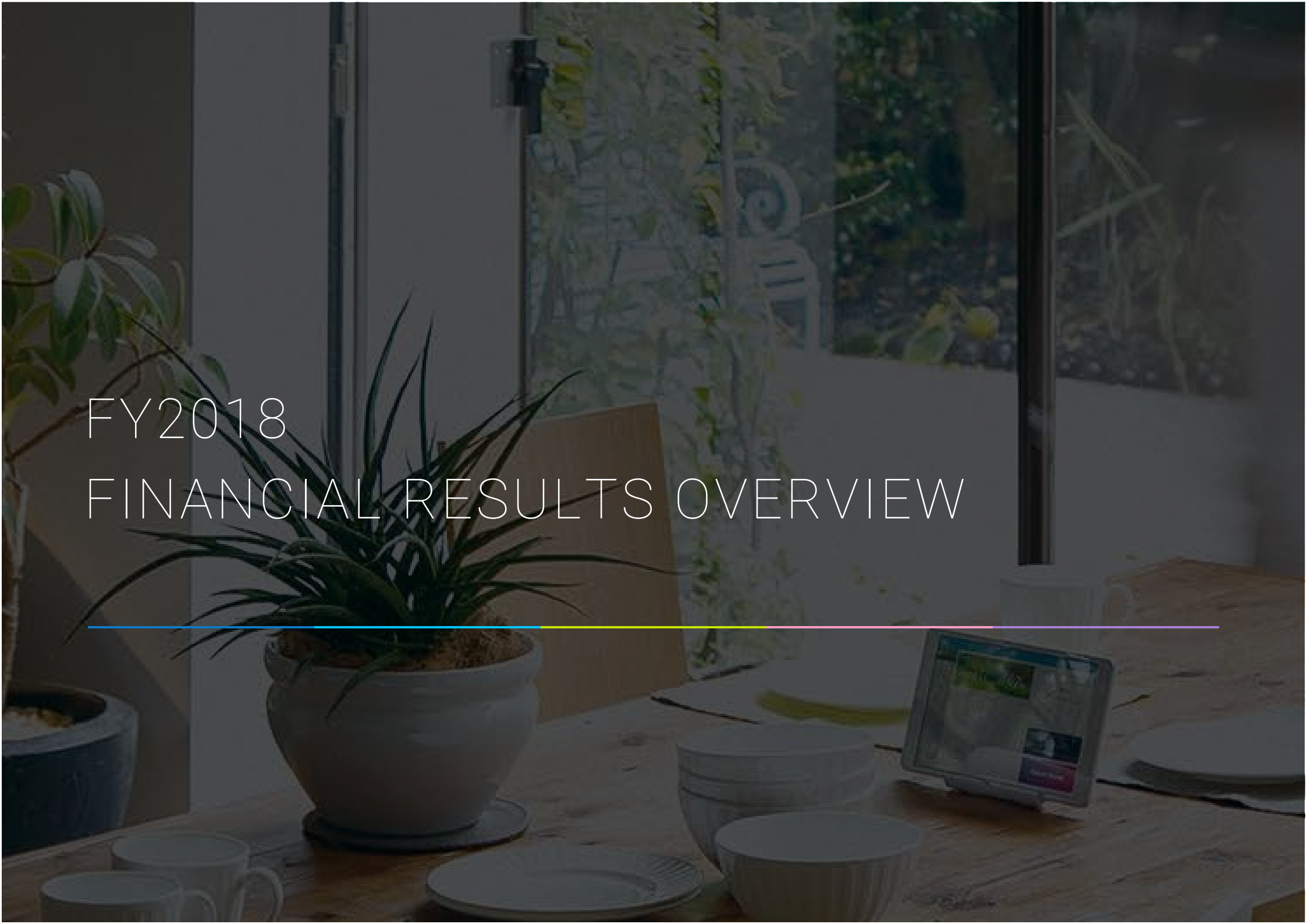
Establish Compliance Hotline and Enrich, Activate Whistleblowing System



Establishing General Compliance Division

Revision of Compliance Structures





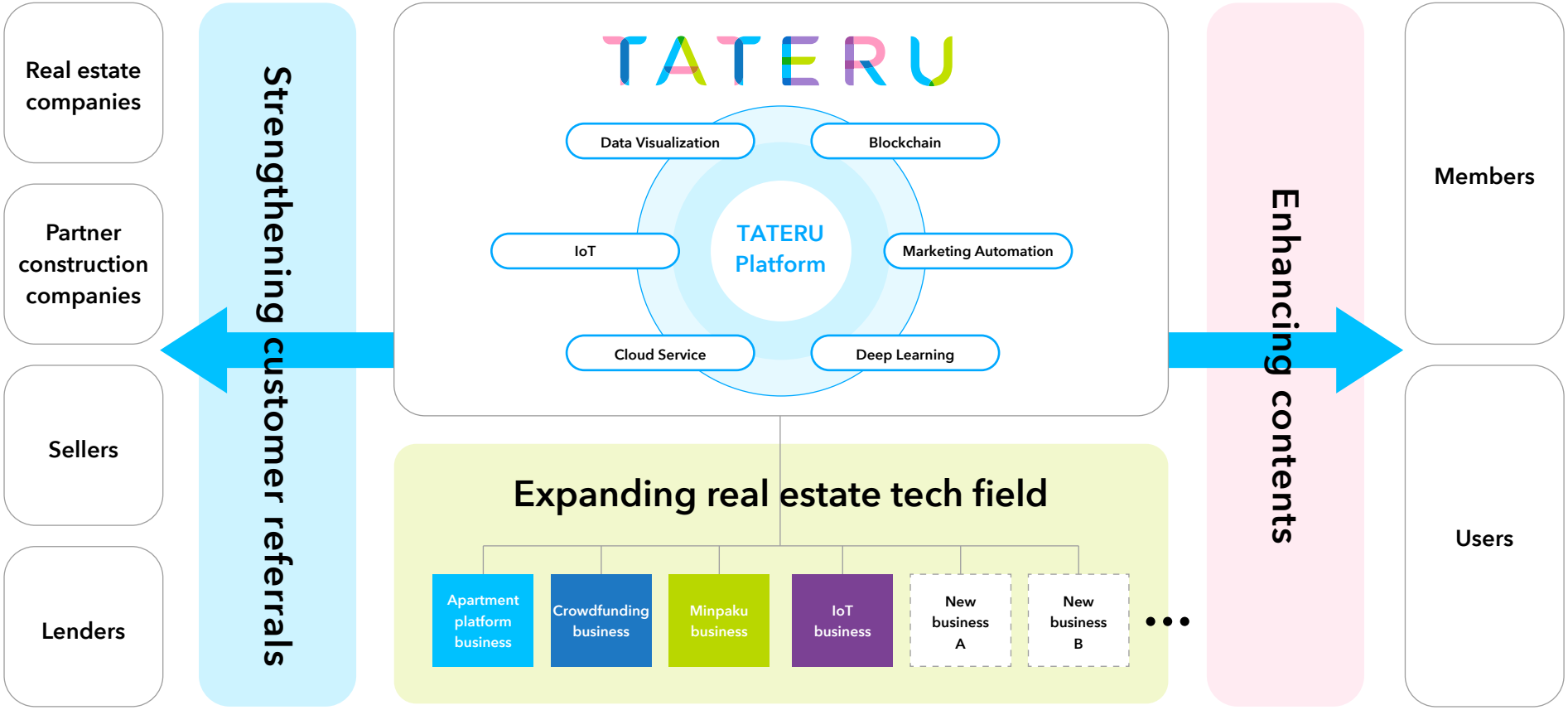
FY2018
FINANCIAL RESULTS OVERVIEW

Name	TATERU, Inc.
Head office	21F, 1-5-8, Jingumae, Shibuya-ku, Tokyo
Established	January 23, 2006
Representative	Daisaku Furuki, Representative Director/CEO
Capital	7,272 million yen
Employees	505 persons (consolidated basis / full-time employees / as of December 31, 2018)
Businesses	Development and operation of IoT apartment management app "TATERU Apartment" Planning and operation of real estate investment-type crowdfunding "TATERU Funding"
Subsidiaries	Robot Home Co., Ltd. (IoT business) TATERU bnb, Inc. (Minpaku business) TATERU Funding, Inc. (Crowdfunding business) Invest Online, Inc. (Apartment platform business) IO Funding Co., Ltd. (Crowdfunding business) TATERU TECH LAB PTE. LTD. TATERU Company Split Preparatory Company Ltd.
Associates	TRASTA inc.

Notice of Change in Scheduled Date for Transition into Holding Company

Regarding the scheduled transition into a holding company though company split, which was announced in the "Notice of Commencement of Preparations for Transition to a Holding Company Structure" on August 3, 2018, and the "(Progress of Disclosure Matters) Notice of Establishment of a Subsidiary (Company Split Preparatory Company) in Conjunction with the Transition to a Holding Company Structure" on August 23, 2018, the Board of Directors passed a resolution on February 13, 2019 to change scheduled date for transition from April 1, 2019 to January 1, 2020.

Conceptual diagram of holding company



- **Net sales of 118.1% YoY and operating income of 12.2% YoY**

- **A total increase in membership of 18,757 persons (2,274persons) and 506contracts, and 60.3% YoY**

()・・・The numbers inside the parentheses show the numeric data of Invest Online, Inc.

Consolidated statements of income

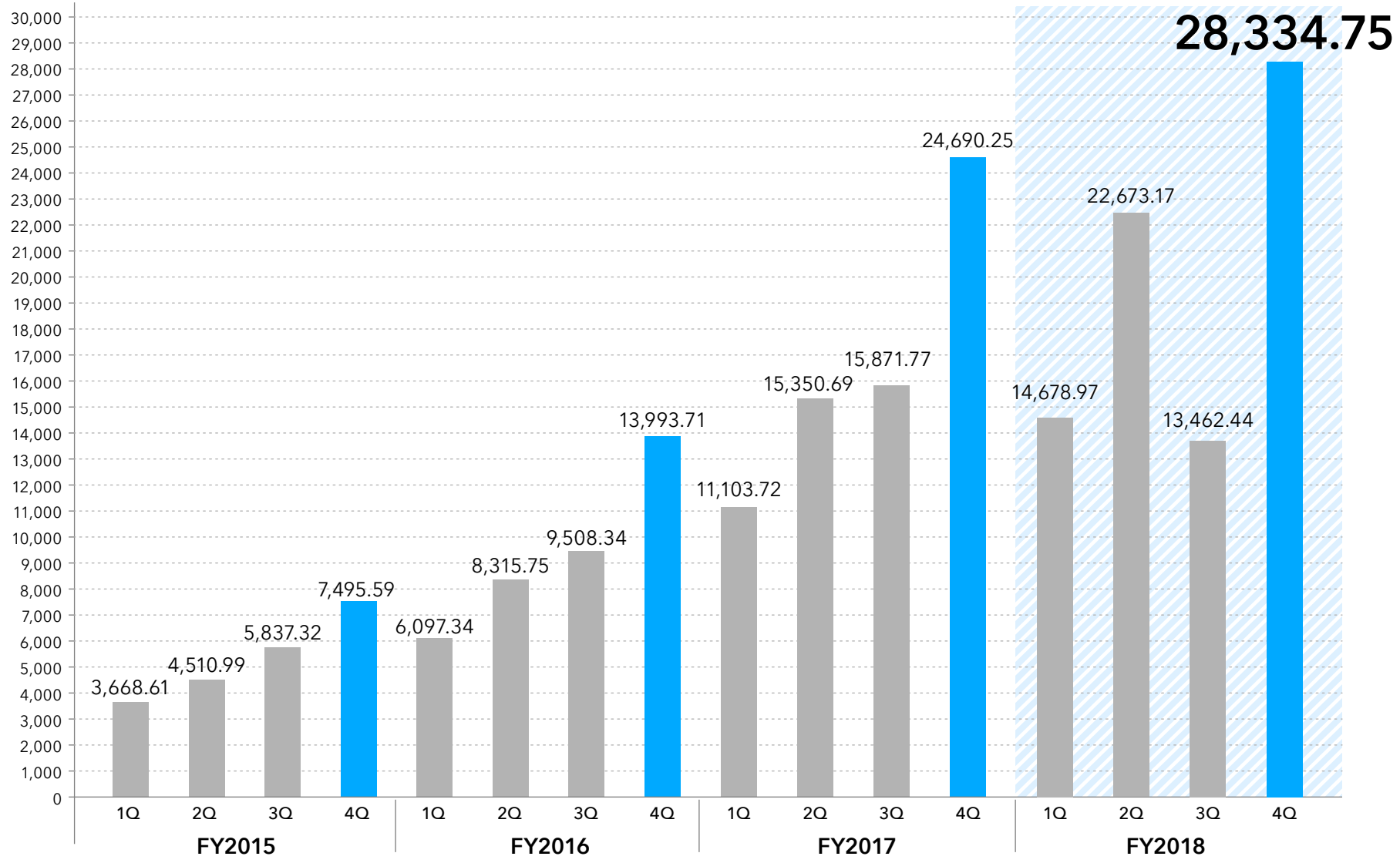
(Unit: million yen)

	FY2017		FY2018		
	Amount	% of sales	Amount	% of sales	YoY
Net sales	67,016	100.0%	79,149	100.0%	118.1%
Gross profit	11,704	17.5%	8,624	10.9%	73.7%
Selling, general and administrative expenses	5,805	8.7%	7,903	10.0%	136.1%
Operating income	5,898	8.8%	721	0.9%	12.2%
Ordinary income	5,863	8.8%	507	0.6%	8.6%
Profit attributable to owners of parent	3,995	6.0%	1,581	2.0%	39.6%

Recording of ¥1,806 million in loss on valuation of inventories

Net sales

(Unit: million yen)



*As the Company shifted to consolidated accounting from 2Q FY2016, results for 1Q FY2016 and before are not consolidated.

Segment information

(Unit: million yen)

	TATERU Apartment	TATERU Funding	TATERU bnb	Robot Home	Others	Total	Consolidated PL
Net sales	76,597	770	544	1,317	325	79,557	79,149
Operating income	2,299	381	117	520	60	3,378	721

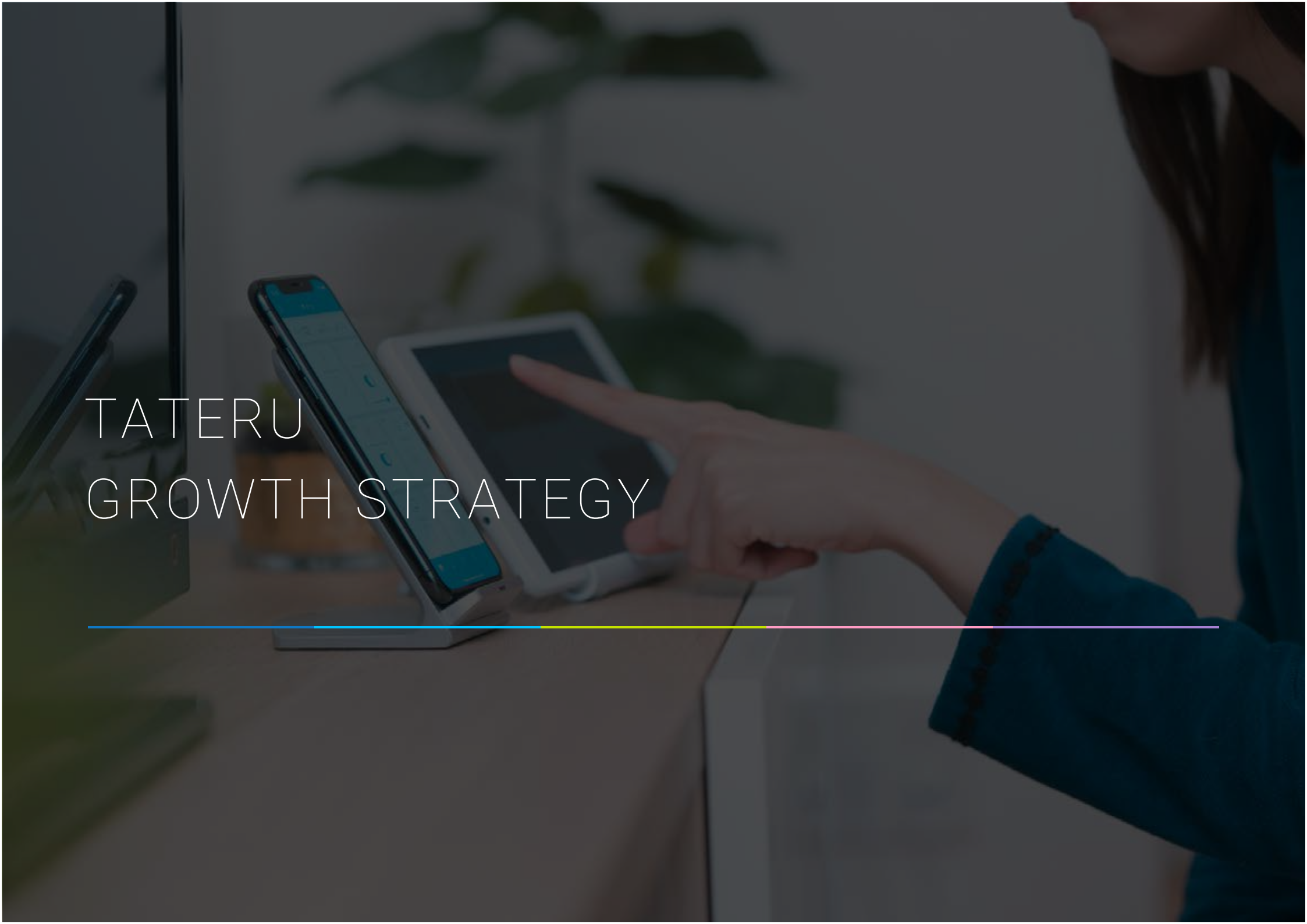
Consolidated balance sheets

(Unit: million yen)

	December 31, 2017	December 31, 2018	YoY change
Current assets	15,511	27,130	+11,619
Inventories	3,332	13,035	+9,702
Non-current assets	6,352	6,080	▲272
Total assets	21,864	33,211	+11,346
Liabilities	12,197	9,563	▲2,633
Net assets	9,667	23,647	+13,979
Total liabilities and net assets	21,864	33,211	+11,346

- Increase by purchasing land as a result of the cancelation of orders
- Increase due to delays in the delivery of apartments
- Increase due to suspension of the formation of new funds in TATERU Funding business

- Increase in capital stock and capital surplus of 13.2 billion yen due to issuance of new shares through international offering
- Increase by recording profit



TATERU
GROWTH STRATEGY

Real Estate Tech business

TATERU

Apartment platform business

TATERU Apartment

Crowdfunding business

TATERU Funding

Minpaku business

TATERU bnb

Real estate portal site

TATERU Buy-Sell

IoT business

Robot Home

Apartment kit

IoT device development /

App development for owners /

Tool development for management companies /

Big data business

Apartment platform business

TATERU Apartment

Introducing IoT apartment management with the “TATERU Apartment" app

Membership ..... 161,116 persons
(19,053 persons)

Owners ..... 2,198 persons

Managed properties ..... 25,021 units

Occupancy rate ..... 97.9 %

as of December 31, 2018

() ･･･The numbers inside the parentheses show the number in Invest Online, Inc.

One-stop IoT apartment management via app

Install the app

Complete member registration

Consult via chat with concierge

Property info
〜
Apartment completion

Apartment management report

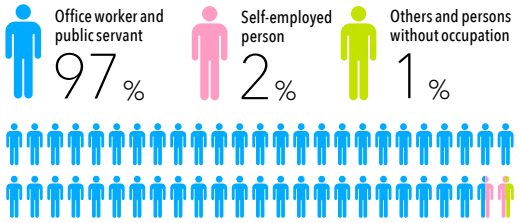
TATERU Kakutei Shinkoku
(tax return support)

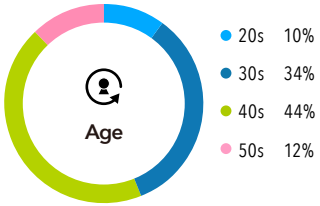
Cleaning report

Occupancy status

Payment statement

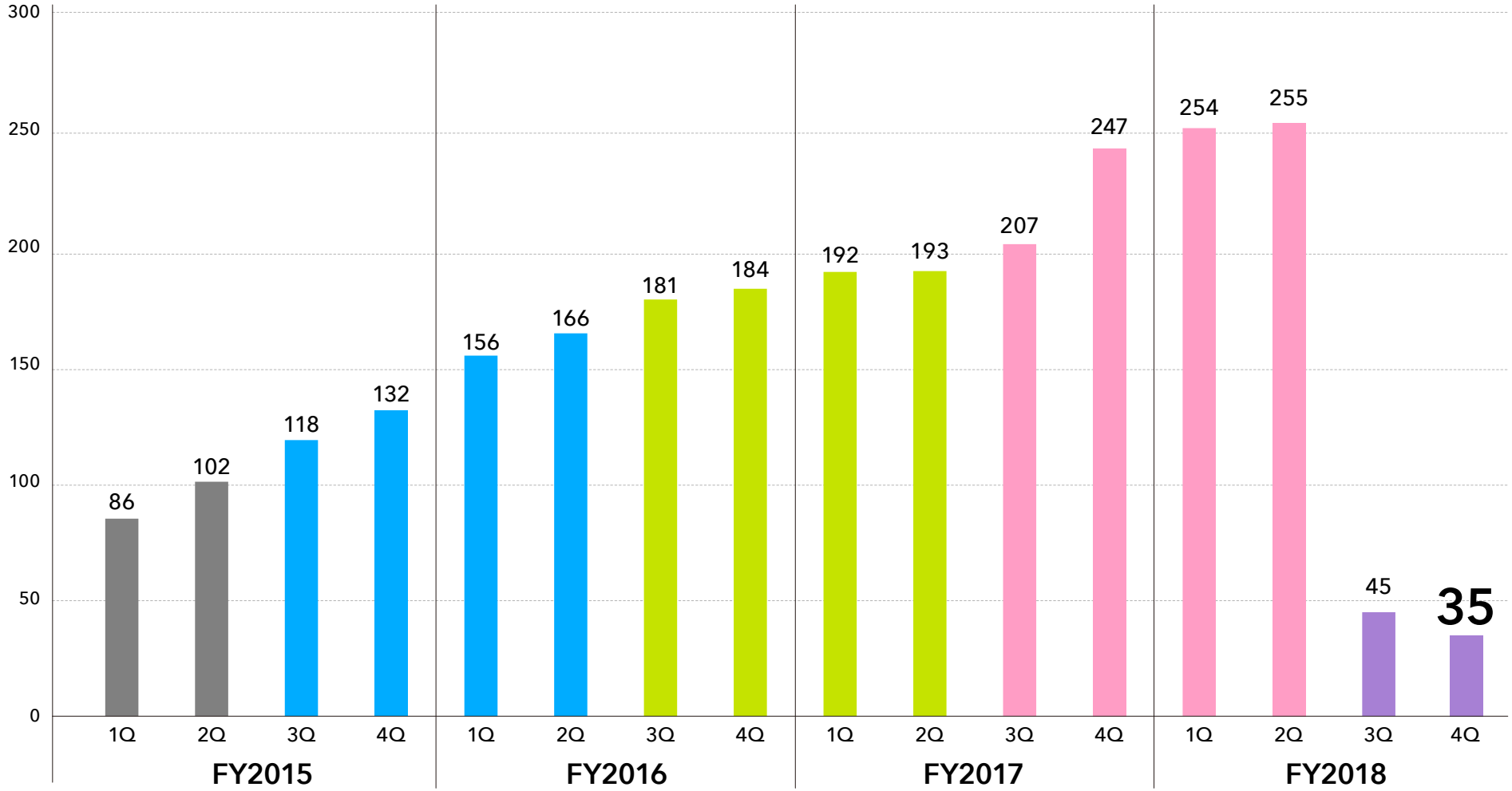
Positioning map of TATERU Apartment owners





as of December 31, 2018

Trends in number of new contracts



・Number of new contracts includes the number in Invest Online, Inc..

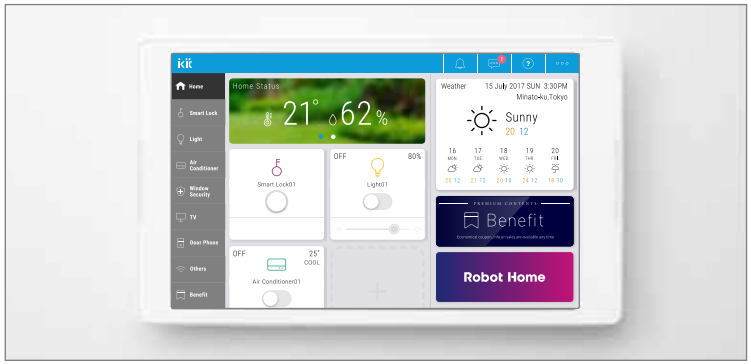
・Number of units of orders received for FY 2018 4Q includes the number of orders received before FY 2018 3Q but determined during FY 2018 4Q.

・In addition, Though there are 133 order cancels from the number of new contracts as of the end of FY 2018 2Q, 50 of them are determined again during FY 2018 4Q.
This is why there are 83 order cancels from the cumulative total number of new contracts as of the end of FY 2018 4Q.

Robot Home

Sales and OEM provision of "Apartment kit" which enables anyone to provide IoT rental housing

kii



CENTRAL CONTROLLER

Amazon Echo

TAG SECURITY

SMART LOCK

NATURE SENSOR
REMOTE CONTROLLER

SMART LIGHT

*Devices standardly provided are subject to change depending on development status.
*The above SMART LOCK image is a prototype under development and its design differs from currently installed devices.

OEM provision

TATERU

Evolve into IoT apartment

Analyze the rate of rent in surrounding areas to decide the rent of your property

Arrange cleaning companies right after moving out, eliminating opportunity losses

See occupancy status of all properties at a glance

TATERU DB

Potential need of the owners

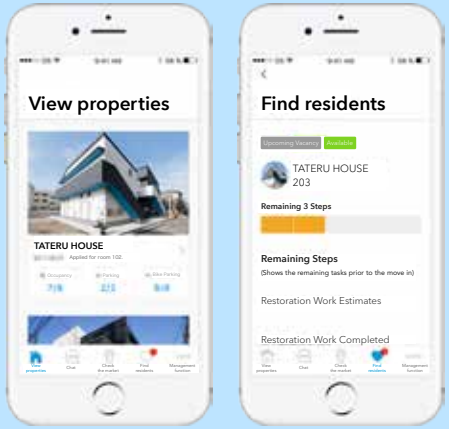
List apartment information on rental apartment websites and see viewer response

24-hour chat with concierges

for Owner

Providing an app that gives owners full control, from resident search to overall management

Develop an owner solution app leveraging the accumulated database of TATERU business



App screen designed for owners

Apartment ikit by Robot Home

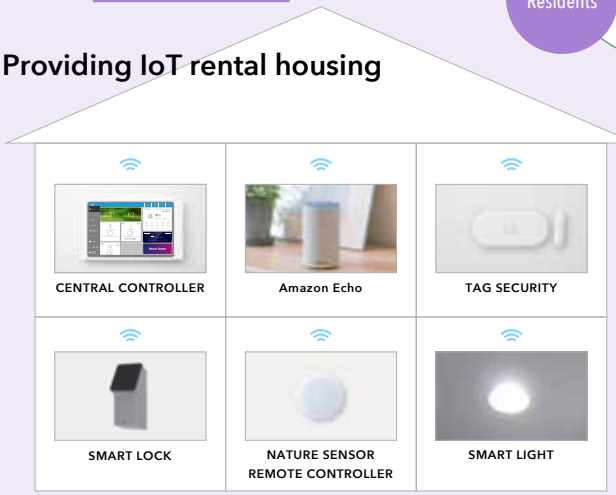
Owner

Residents

Management company

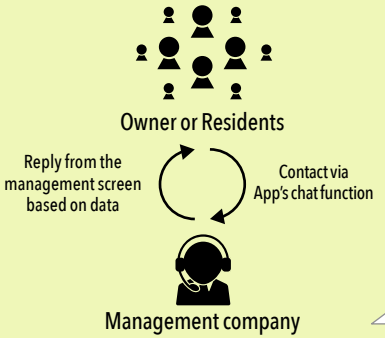
for Customer

Providing IoT rental housing



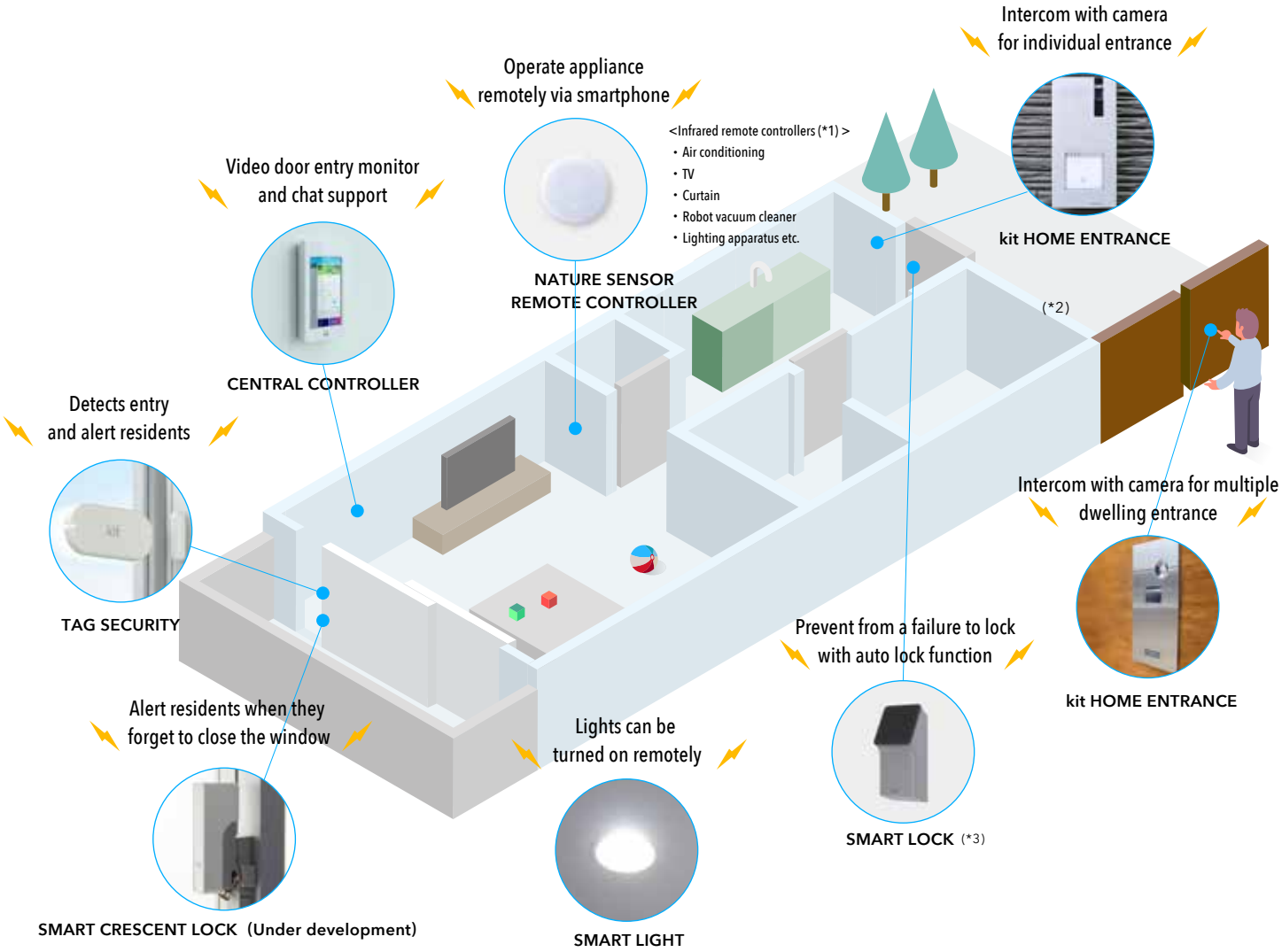
for Property Management

Accelerating communication with owners Providing management tools



Management screen designed for management companies

IoT apartment through in-house development



Selling price (e.g. 9 units per 1 building)

	Quantity	Unit Price	Price
CENTRAL CONTROLLER (wall-mounted)	9	40,500	364,500
TAG SECURITY	9	7,000	63,000
NATURE SENSOR REMOTE CONTROLLER	9	13,000	117,000
SMART LIGHT	9	47,000	423,000
SMART LOCK	9	78,000	702,000
INTERCOM (for individual entrance)	9	40,000	360,000
GATEWAY PoE Hub	3	23,500	70,500
GATEWAY POWER	1	22,500	22,500
ENTRANCE (intercom for multiple dwelling entrance)	1	637,500	637,500
ENTRANCE POWER	1	20,500	20,500
GATEWAY	1	142,500	142,500
LICENSE	9	30,000	270,000
CARD	18	1,550	27,900

(* Except for SMART CRESCENT LOCK which is under development)

Sub Total	3,220,900
Tax	257,672
TOTAL	**3,478,572**

*1 It doesn't guarantee action of every home electric. *2 Floor plan is an example. *3 A prototype under development and its design differs from currently installed devices.

CENTRAL CONTROLLER wall-mounted type

Wall-mounted central controller for entry panel of multiple dwelling entrance

Wall-mounted central controller for entry panel of multiple dwelling entrance called "kit HOME ENTRANCE". It is equipped with various functions such as connections to various IoT devices and home appliances, chat service support and receiving and answering function for the intercom call.

Price —— 40,500yen (ex. tax)

kit HOME ENTRANCE

Intercom with camera for multiple dwelling / individual entrance

By utilizing entrance panel "kit Home Entrance" that can be unlocked with smartphone, it becomes possible for residents to response in a smarter way regardless of the type of housing, such as multiple dwelling house or single-family home. It helps to improve convenience and safety of tenants.

Price (for multiple dwelling entrance) —— 637,500yen (ex. tax)

Price (for individual entrance) —— 40,000yen (ex. tax)

Intercom with camera for individual entrance

Intercom with camera for multiple dwelling entrance

kit HOME ENTRANCE

When friends and family visit you while away from home

Friends and family visit you

Multiple dwelling entrance

Intercom for multiple dwelling entrance

Individual entrance

Intercom for individual entrance

Capable of responding to both multiple dwelling entrance and individual entrance

Unlock the door

SMART LOCK

Rich in safety functions. Features special processing that does not come off or fall

When the door closes, it is automatically locked and you can unlock the door through the app, ten key, IC cards for public transportation or conventional keys. Moreover, if it is fraudulently unlocked, an alarm will be activated and an entry record can be checked via the app. When it runs out of battery, power can be fed from outside the door.

Price —— 78,000yen (ex. tax)

* A prototype under development and its design differs from currently installed devices.

TAG SECURITY

Detects a problem quickly and notifies you via smartphone.

TAG SECURITY installed in the window detects opening and closing or vibration and you can identify a problem using your smartphone from a remote location. As the main unit can be fixed with a removable sticker, no special construction work is necessary. In addition, when it detects a problem, an alarm within the device will be activated.

Price —— 7,000yen (ex. tax)

Changes to “Go out mode” automatically by leaving home

SMART CRESCENT LOCK (Under development)

Prevent window from being forgotten to close

It changes to “Go out mode” only by leaving home. It notifies residents via smartphone in case windows are not closed.

Acquire open/close status

SMART LIGHT

Turns on or off the light, controls its color or dims freely.

You can control lighting as you like. Depending on your mood, you can control its color or intensity. If you realize that you forgot to turn off the light outside the home, you can turn it off using the central controller and your smartphone from a remote location.

Price —— **47,000yen** (ex. tax)

Images of controlling lighting

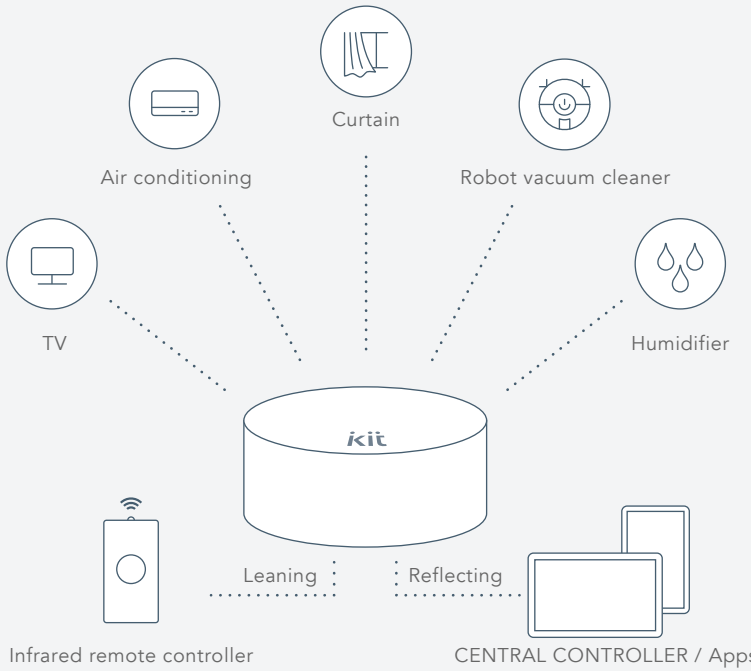
NATURE SENSOR REMOTE CONTROLLER

Gets information on an indoor environment to make your life even more convenient and comfortable.

Obtains information about the temperature or humidity in the room to allow you to control various home appliances such as an air conditioner and TV through the central controller and smartphone with a single tap. In addition, you can operate infrared-equipped appliances, such as an air conditioner, from a remote location.

Price —— 13,000yen (ex. tax)

Control various remote controllers at home(*)



*It doesn’ t guarantee action of every home electric.

Apartment kit

for Customer

3 features:

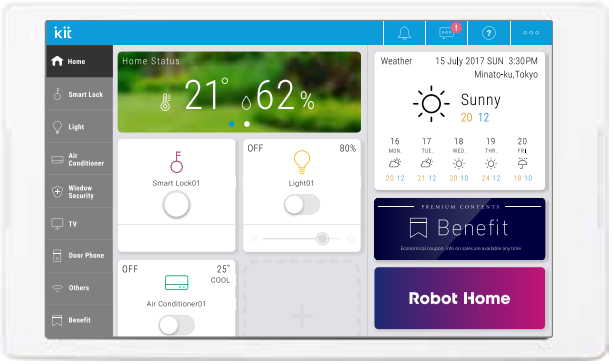
1. Ease of use **2. High security** **3. High convenience**

1. Ease of use

Each IoT device is connected in advance,
allowing use from the first day of occupancy

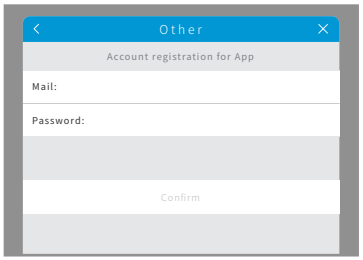
*Showroom

<Tablet standardly provided in TATERU Apartment>



Available from the first day of occupancy!

<Setup via App>



Tablet setup screen

App setup screen

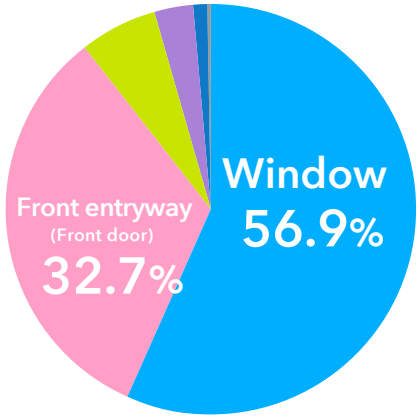
Only an email address and password are required!

2. High security

Number of burglaries committed in 2017

Approx. **40,000** cases (Approx. **107** cases per day)

Entry point for burglaries

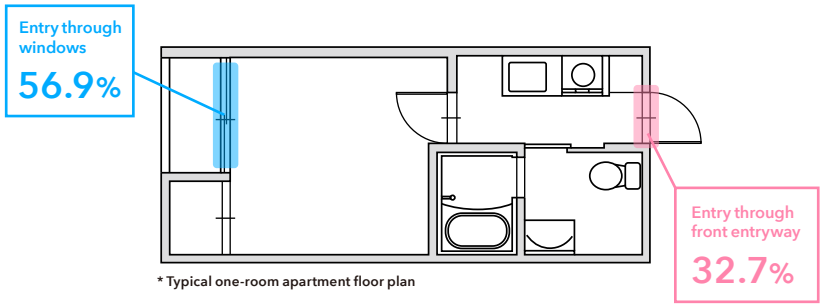


Shared housing (three floors or less)
8,614 crimes committed in total (2017)

Windows and **front doors** account for Approx.

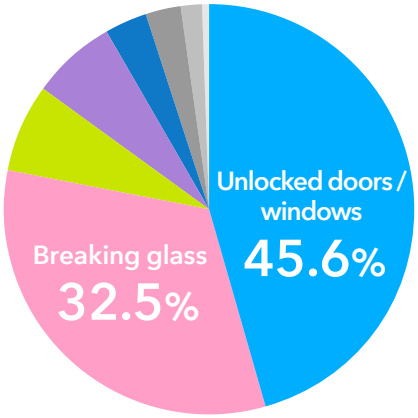
90% of burglary entry points

56.9%	Window
32.7%	Front entryway (front door)
6.1%	Unknown
3.2%	Other entryway
1.1%	Other
0.1%	Emergency exit



* Typical one-room apartment floor plan

Means for entry into shared housing



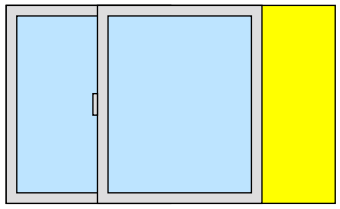
Shared housing (three floors or less)
8,614 crimes committed in total (2017)

The means for entry into shared housing are …

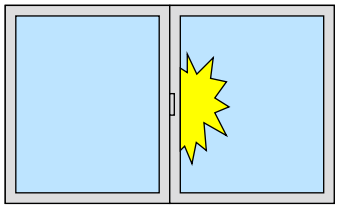
Unlocked doors / windows 45.6%

Breaking glass 32.5%

45.6%	Unlocked doors/ windows	3.2%	Other
32.5%	Breaking glass	3.0%	Other unlocking
6.9%	Duplicate keys	1.7%	Door lock-picking
6.8%	Unknown	0.3%	Door removal



Unlocked doors/windows
(Entry through doors/windows)
45.6%



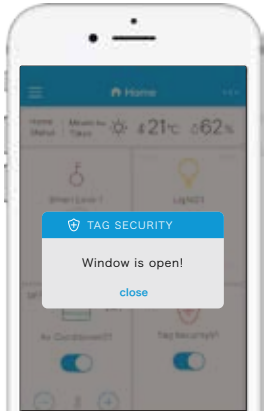
Breaking glass
(Entry through windows)
32.5%

Source: "Smile (Home) Crime Prevention #110," National Police Agency (http://www.npa.go.jp/safetylife/seianki26/theme_ a/a_d_1.html)

2. TATERU kit SECURITY

Sensors detect entry → Alerts residents → Police are notified as necessary

Crime prevention on windows (TAG SECURITY)

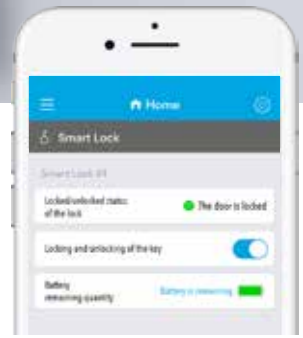


Screen informing detection of window open, close, or vibration

Camera launch screen (under development)

- When windows are opened
  * Magnet sensors detect opening and alerts residents via tag security
- Breaking glass
  * Detect through vibration sensors
- Unlocked doors/windows
  * Alert residents through lock check functions (under development)

Crime prevention on front doors (SMART LOCK)



Displays open/close status (under development)

- Unlawful unlocking
  * Discourage intruders via alarm sounds
- Unlocked doors/windows
  * An auto-lock function is available

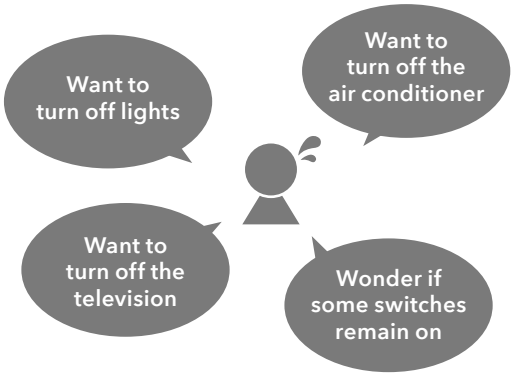
*The above SMART LOCK image is a prototype under development and its design differs from currently installed devices.

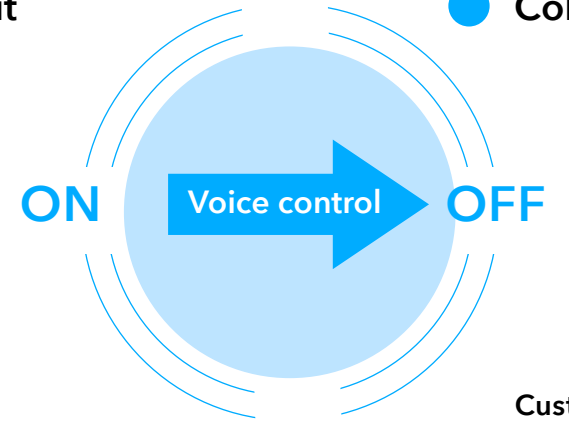
3. High convenience

Compatibility with smart speakers allows for connecting to various home appliances such as lighting, air conditioners, and televisions, to enable customized settings via voice control.

Voice control frees residents from worries of un-switched-off devices while away from home

For example, when going out





Collectively control switches via voice

Customize home appliances via voice control

NATURE SENSOR REMOTE CONTROLLER

Obtains information about the temperature or humidity in the room to allow you to control various home appliances such as an air conditioner and TV through the central controller and smartphone with a single tap. In addition, you can operate infrared-equipped appliances, such as an air conditioner, from a remote location.

SMART LIGHT

You can control lighting as you like. Depending on your mood, you can control its color or intensity. If you realize that you forgot to turn off the light outside the home, you can turn it off using the central controller and your smartphone from a remote location.

A more comfortable daily life: kit's support services for residents

Benefit

Emergency — Peace of mind in emergencies Supports daily lives

Life service sharing economy 生活110番

Seikatsu #110

Websites containing useful information and contractor search/comparison that help to solve daily troubles

Compare contractors
Capable of searching and comparing services concerning fixing, cleaning, and crime prevention

Original services
Providing original services with unaddressed needs

Daily life information
Updates on useful tips for every day life

Housekeeping — Supports daily lives with housework and house cleaning services

Bears
5,200 staff nationwide with a customer satisfaction rate of 96.5%. The first recipient of the "Housework Services Certification" in Japan.

Housework/Housekeeping Supports domestic work	**House cleaning** Specialized cleaning by professionals n areas such as the kitchen
Cooking Custom cooking is available	**Kids/Babysitters** Caretaking, school pickup and drop off of children and simple errands
Senior support Supports comfortable lives for residents 60 years old and above	**Gifts** Housework services can be presented to others as gifts

Car Rental — Support outings with hassle-free unmanned car rental check-in

ORIX CarShare
Rental offices have expanded to 1,500 nationwide. Car sharing service with a wide range of cars to choose from.

Fee	
	Basic monthly fee 980 yen
	15 minutes 200 yen and up
	6 hour package 3,500 yen and up / 12 hour package 4,500 yen and up / 24 hour package 6,000 yen and up / Night package 2,500 yen and up
	IC card issuance fee (per card) 1,000 yen

* Fee plans change depending on car

Medical — Medical support Directly consult with doctors at any time

first call
Directly consult with doctors anytime for an unlimited number of times for 540 yen/month (incl.tax) (Free for the first month)

Consult via chat | Consult via video message

Consult with doctors about medical problems at any time

Clinical department-based consultation is available, including internal medicine and ophthalmology

Fashion — Support styling with a men's fashion rental service

Leeap
No cleaning required when returning clothes
Fashion rental service for men with a monthly fee

Casual Plan 7,800 yen /month (ex.tax)	・Stylists propose two outfits with three tops and one bottom ・Rent clothes once a month (*Two rentals are available during the first month)
Jacket&Pants Plan 13,800 yen /month (ex.tax)	・Stylists propose two outfits with one jacket, two tops, and one bottom ・Rent clothes once a month (*Two rentals are available during the first month)

Storage — Storage service with easy removal, depositing, and management via PC and smartphone

Sumally Pocket
Users can freely choose storage boxes, with plans offered that include removal and fee at up to 30% discount.

Up to 20% off	Up to 30% off
3 box plan	**6 box plan**
1,000 yen per month (before tax)	1,800 yen per month (before tax)
3 box storage (normally 1,050 yen per month*1)	6 box storage (normally 2,100 yen per month*3)
With 3 removals a year (normally 2,940 yen per year*2)	With 6 removals a year (normally 5,880 yen per year*4)

*1, 2, 3, 4 Based on fees when using the economy large box plan.

New business partners and services coming soon!

Participated in world's largest trade show
CES(Consumer Electronics Show)

CES2019

Our booth

Rental management app for apartment owners

Apartment kit

for Owner

Flow for finding residents easier than ever

Data utilization-type rental management
Differentiate with technology

Discuss any daily issues via chat

Overview of app functions

1. View properties

Check the status of properties at any time on dedicated screen for property owners.

Users can check the status of properties at a glance and confirm occupancy rates as well as the number of visitors to vacant room websites.

2. Chat

Discuss any issues via chat.

Users can communicate with management companies via chat. Feel free to discuss any issues, from matters related to residents, to how to determine rent.

3. Check the market

Utilize data as material for management decisions

Users can view local rent levels, crime rates, population density, local facilities, and other data on the app. Use it when setting rents, and as material to consider when making decisions about rental management.

4. Find residents

Simple flow that makes finding residents easy.

Minimize communication with management companies and perform all necessary communication via the app. Users can find residents efficiently by significantly shortening the time until the next resident moves in.

Screen notifying moving out (push notification)
Screen to start advertising for residents
Completion screen
Overview screen

5. Management function

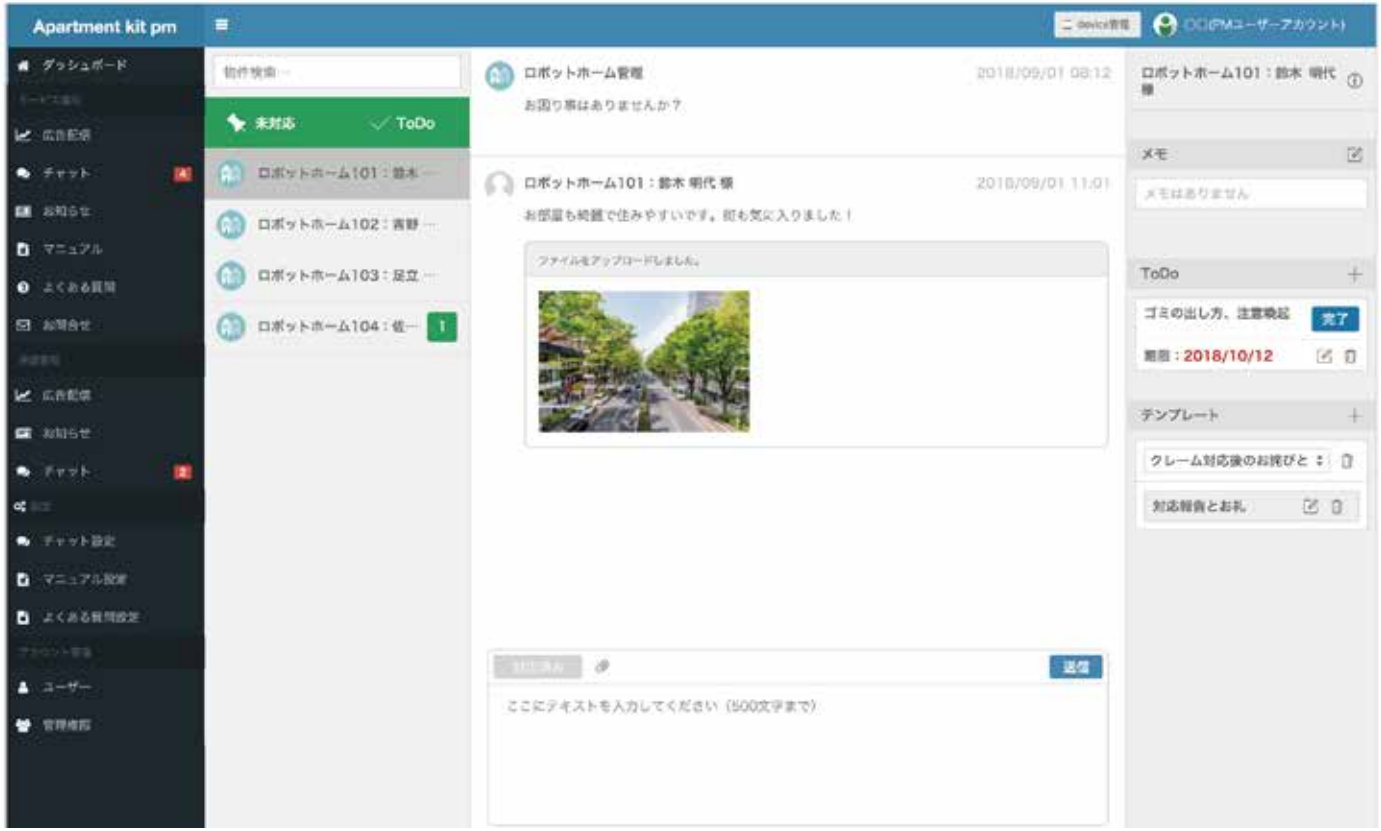
Paperless function making document management simple.

Users can manage all required documents on the app, from payment statements, contracts, repair history, to tax returns. It is paperless, so there is no worry about losing or forgetting to compile documents.

Communication-type rental management tool for management companies

Apartment kit

for Property Management



Providing solution via chat, Bot and AI for management companies' operations

(Partially under development)

Owner or Residents

*Residents can contact via chat from IoT device equipped or app

Smooth communication via chat, Bot, AI and push notifications

Management company

Apartment kit for Owner Property management app for apartment owners		Apartment kit for Business Rental management system for management companies
Information management on purchased properties	Registration →	Manage information on owners / properties
	← Management / consulting	
Moving-in and out operation (push notification)	Approval / adjustment operation →	Moving-in and out operation (task)
	← Present quotations and contracts	
Money management operation	Confirmation →	Money management operation (task)
	← Payment / invoice management	

Function overview

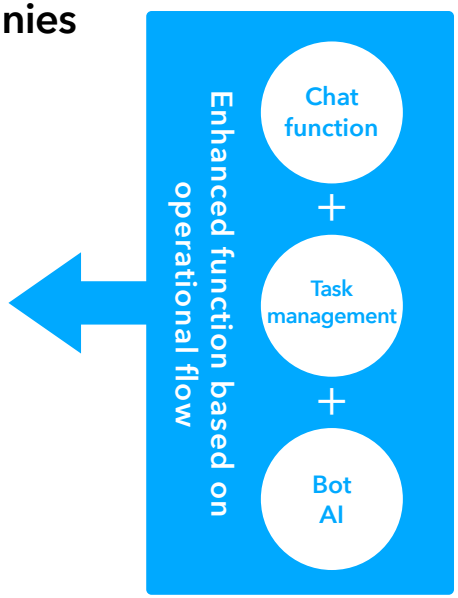
Main dashboard screen

Chat screen

Function overview

Reduce vacancy risk by optimizing operational efficiency of management companies

- **Manage moving-in and out**
  - Moving-in / out registration
  - Request for repair / order placement / history management
- **Manage information**
  - Manage information on properties
  - Manage / search information on owners
- **Manage money**
  - Manage rent payments
  - Payment to owners
  - Manage other inquiries to vendors
- **Manage documents**
  - Manage contracts
  - Manage payment statements
  - Manage invoices



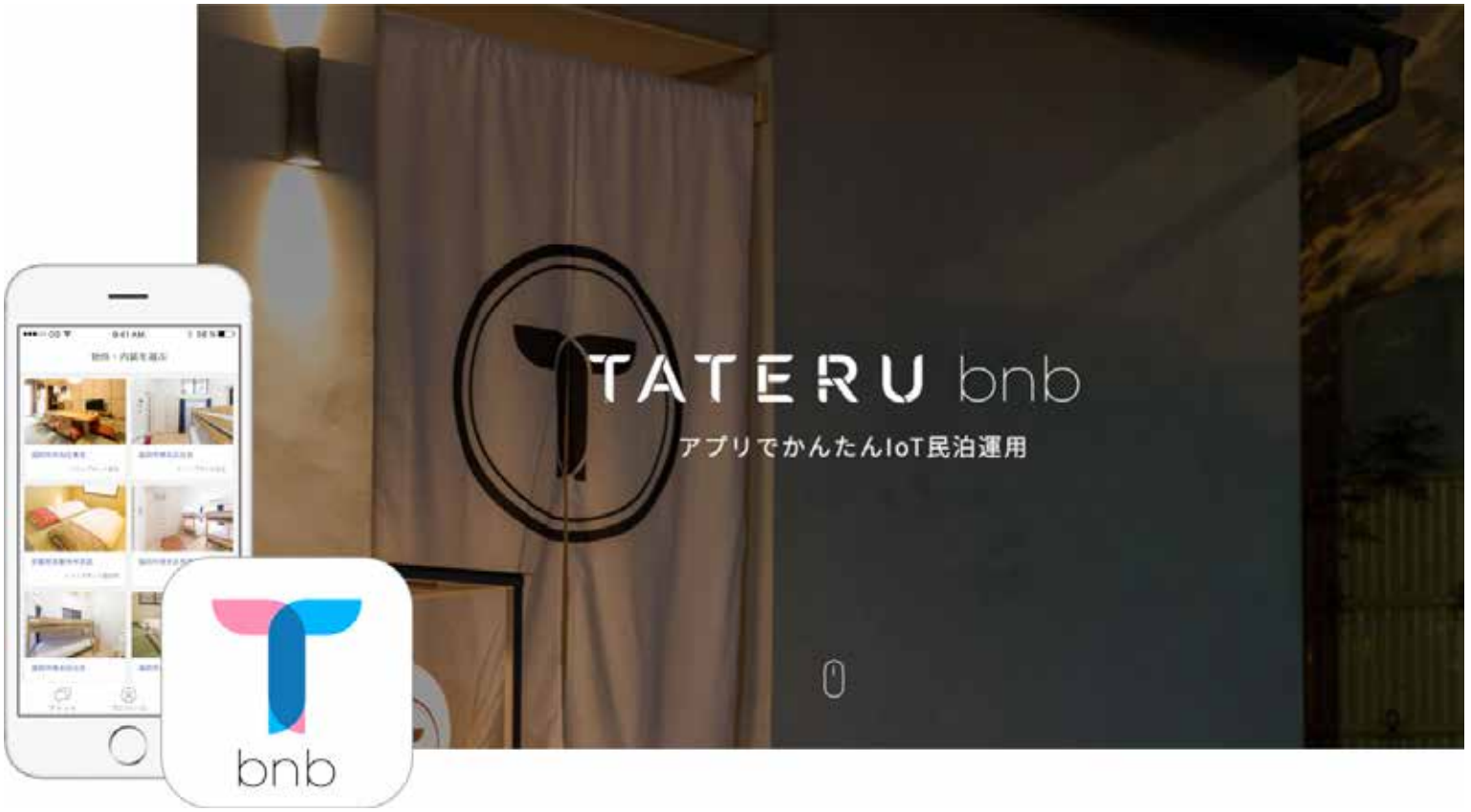
POINT

- Developed by a company that carries out operation business, the tool has no unnecessary feature
  →Reduces effort for education
- The tool enables simplified communication by utilizing chat function and push notifications
  →Reduces vacancy risk caused by lack of communication
- Stabilizes and improves service quality offered by people through applying standard texts and chatbot AI
  →With stable service quality and operational efficiency, the number of properties handled by each personnel could be increased

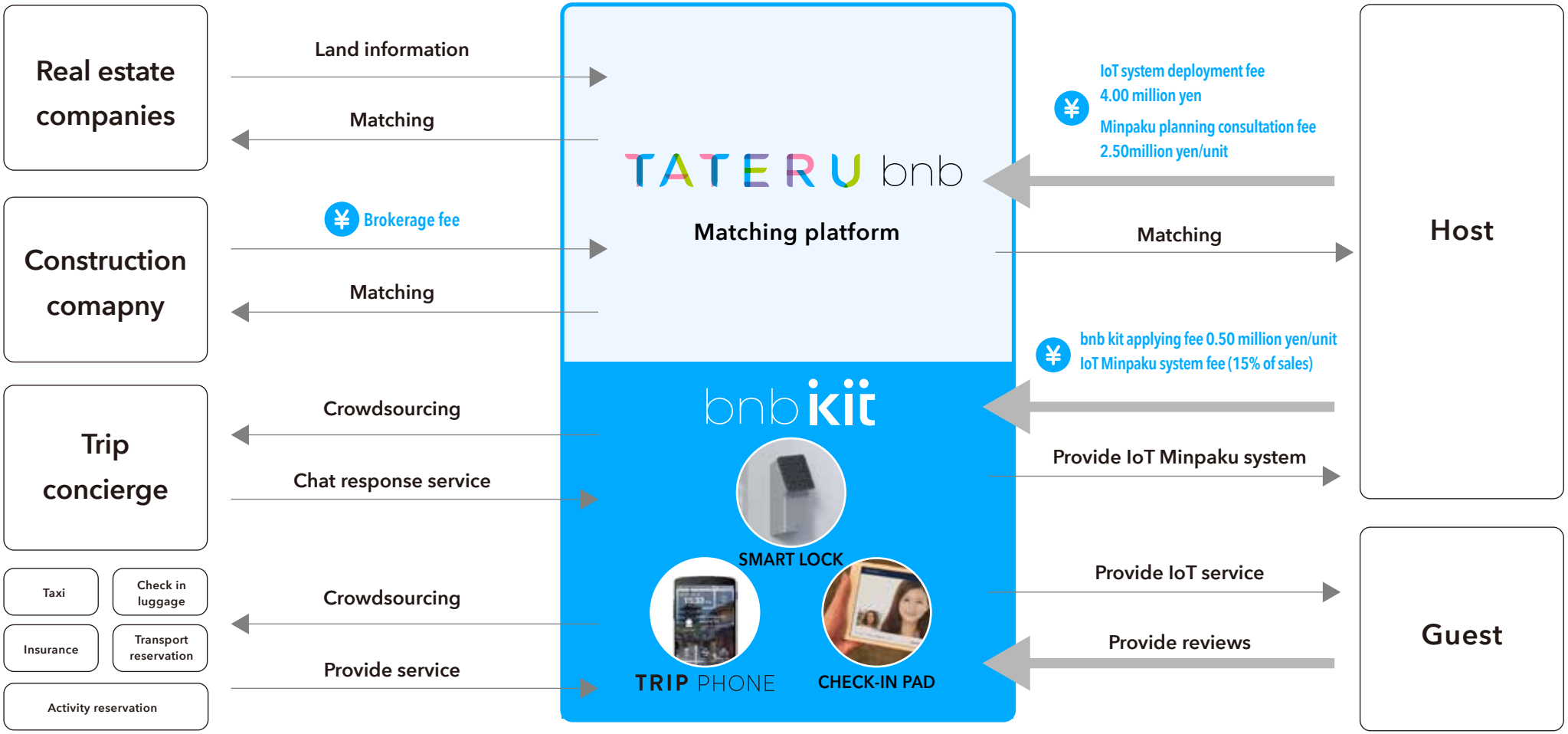
Minpaku business

TATERU bnb

Introducing IoT Minpaku Operation



IoT Minpaku matching platform



Develop within 10 minutes distance from the hostel “TRIP POD” in Fukuoka as the management site

Construction example of Apartment Type

Properties under operation

No.1
TRIP POD FUKUOKA -snack & bed-

No.7
TATERU bnb KOMONDO-MACHI

No.13
TATERU bnb SUMIYOSHI B

No.2
TATERU bnb HARUYOSHI -machiya-

No.8
TATERU bnb SHIMOGOFUKU-MACHI

No.14
TATERU bnb SUMIYOSHI C

No.3
TATERU bnb MINOSHIMA -room-

No.9
TATERU bnb TAKASAGO A

No.15
TATERU bnb MINOSHIMA A

No.4
TATERU bnb SUMIYOSHI -room-

No.10
TATERU bnb OMIYA

No.16
TATERU bnb TOJIN-MACHI

No.5
TATERU bnb TAKASAGO B

No.11
TATERU bnb TUSHIMASHOJI

No.17
TATERU bnb CHIYO A

No.6
TATERU bnb YOSHIZUKA A

No.12
TATERU bnb SUMIYOSHI A

Developed MUSUBI HOTEL in Kyoto Shijo Omiya

MUSUBI HOTEL

Within
10min. walk

Property in Ontomocho (Under Operation)

IoT Minpaku management platform

bnb kit

Minimum initial cost 30,000 yen / minimum monthly cost 9,800 yen

CHECK-IN PAD

SMART LOCK

Accommodation management system

bnb BOOK

Visualizing guests' credit scores

bnb SCORE

Machine Learning & Big Data Underwriting

Minpaku

Check-in

Key

Lodgment

Concierge

Check-out

Cleaning

Booking

TRIP PHONE

Sharing economy service offering Minpaku cleaning

bnb CLEANING

Smart check-in system of bnb kit

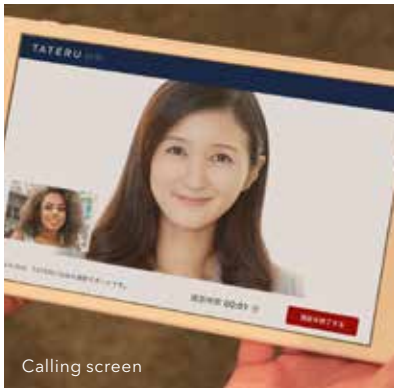
SMART LOCK(*1)

You can unlock easily, conveniently with those 4 ways. (*2)

- Smartphone App
- Public transportation-related IC cards
- Numeric keypad
- Conventional keys

(*1) The above SMART LOCK image is a prototype unde development and its design differs from currently installed devices.

(*2) Guests can unlock by the key number (key pad) issued when making reservation



Calling screen

Passport uploading screen

CHECK-IN PAD

CHECK-IN PAD is available in multiple languages (Japanese, English, Chinese (Both traditional and simplified), Korean) and guest can check-in from CHECK-IN PAD. It provides check-in function needed for minpaku operation such as guest data recording when check in, acquisition of password information, key issuing, identification function.

*Identification function differs depending on the local regulation of each property

TRIP PHONE

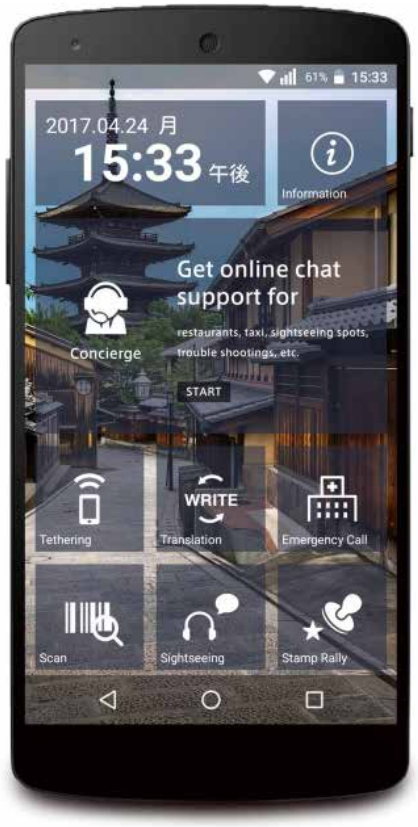
During the stay guest can rental IoT device TRIP PHONE, which provides trip concierge service for free. Trip concierge offers meticulous response to various request during stay such as introduction and reservation of popular restaurant around the facility, transportation guidance, taxi reservation. Moreover, by analyzing chat data and action history, you can grasp needs of guests and it enables efficient minpaku operation.

Utilizing the “TRIP PHONE” IoT device

CONNECT FOR JAPAN EXPERIENCE

TRIP PHONE

- Smartphone designed for foreign tourists -



TRIP Concierge

AI and human concierge combination offers meticulous response to various requests of tourists.

On a 24-hour basis — Supports Japanese, English, Chinese, and Korean (Simplified characters,Traditional Chinese)

Tethering

TRIP PHONE provides Internet connectivity anytime, anywhere for tourists’ smartphones and computers.

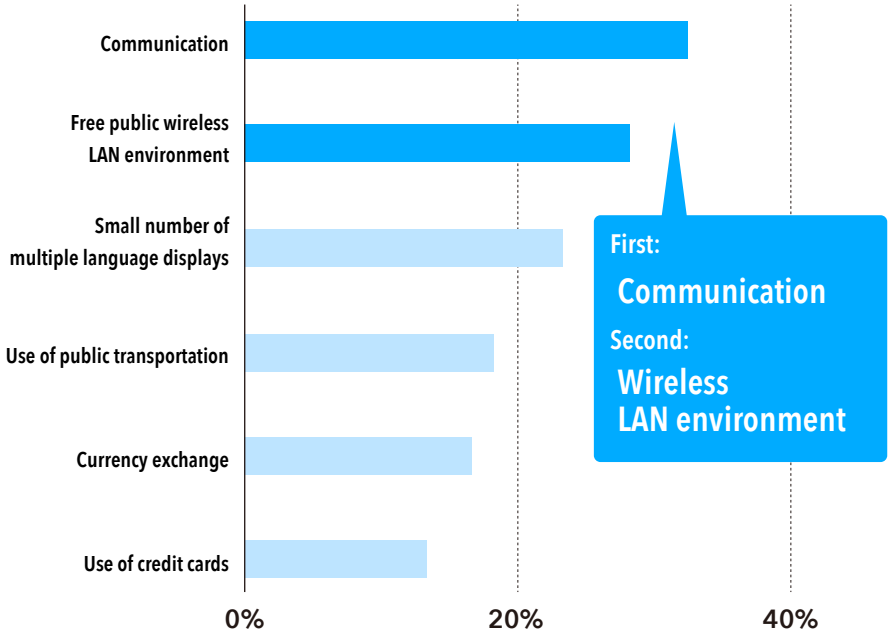
Translation

Translate 31 foreign languages via handwriting or sound.

Guide

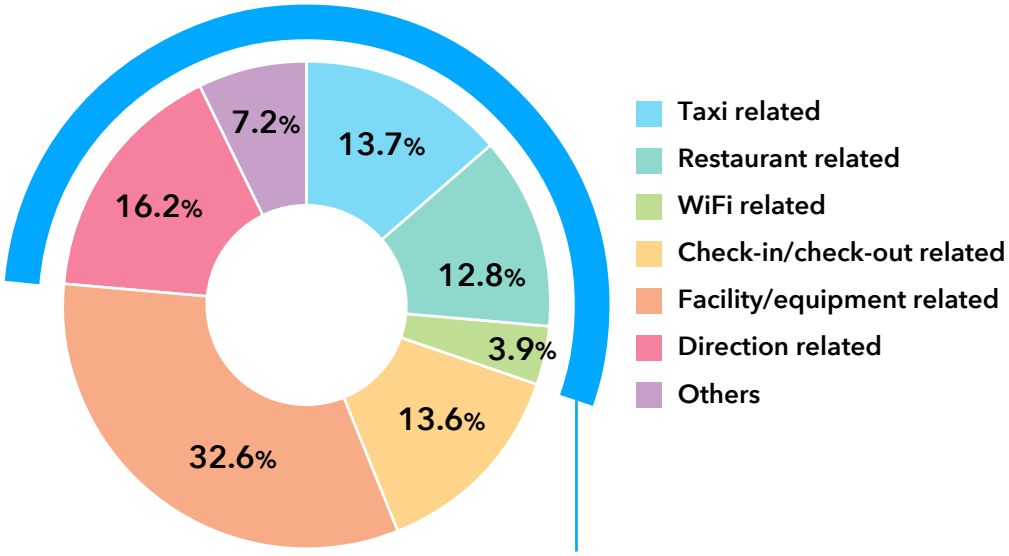
GPS-connected audio guide system introduces a town’s popular spots as if listening to a museum audio guide.

“Troubles while traveling” for foreign tourists



Utilizing the “TRIP PHONE” IoT device

Inquiries from guests



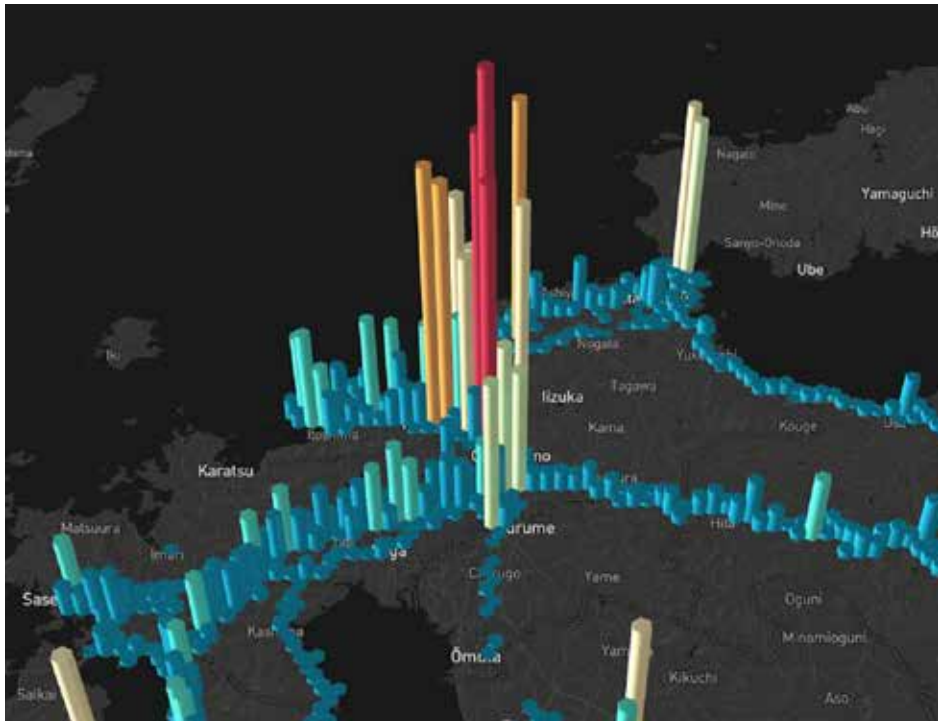
Inquiries other than facility related

53.8%

= Effectively used as concierge

= Improved customer satisfaction, higher review scores by OTA

User directional analysis



Revenue and expense simulation for accommodation facilities

Reference price of property

Total	101.50 million yen
Land	53.00 million yen
Property	27.00 million yen
Minpaku planning consultation fee	10.00 million yen
bnb kit applying fee	2.00 million yen
IoT system deployment fee	4.00 million yen
Furniture and home appliances fee	5.00 million yen
Interior coordinate fee	0.5 million yen

Room charge	Average occupancy rate	Accommodation structure
¥13,000	75%*1	4 units / 1 building

Owner's revenue and expenses

Annual sales	¥14,235,000
Annual operating expenses*2	-¥8,186,700
Annual profit	¥6,048,300
Yield on investment	5.9%

The Company's sales

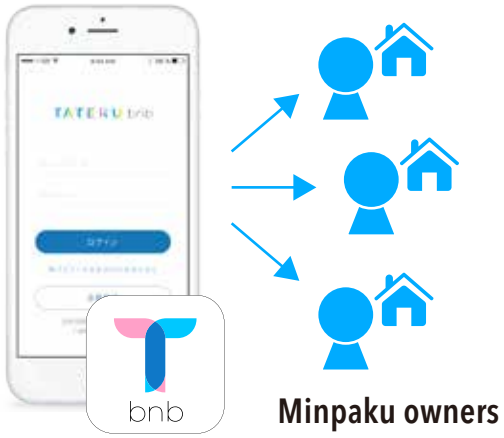
IoT Minpaku system fee =15% of sales	¥2,135,250 (included in operating expenses)

*1 Occupancy rate of 75% is not guaranteed

*2 The breakdown is IoT Minpaku system fee (15% of sales) plus actual operating expenses such as utilities, linen, cleaning, and personnel (subject to change)

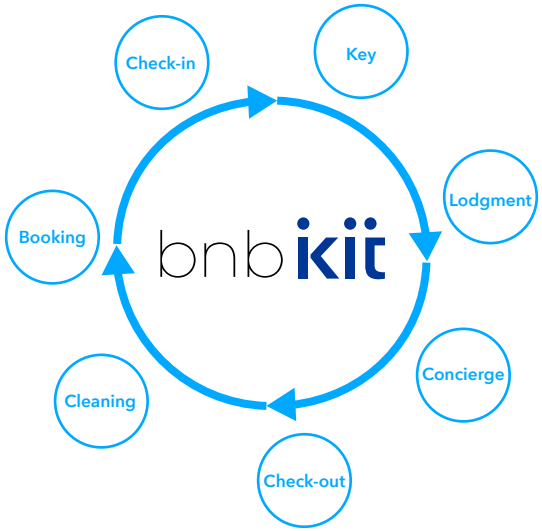
Three revenue structures via IoT Minpaku platform

1. Sales of Minpaku apartments as investment properties



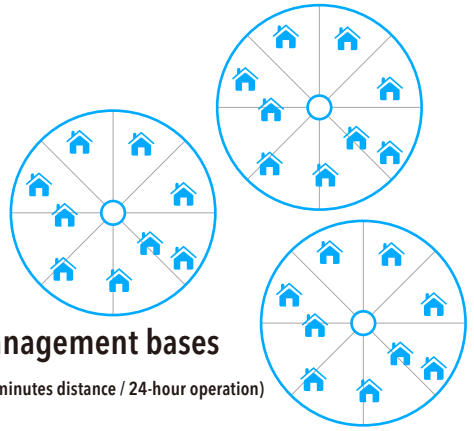
2. IoT Minpaku management platform

Minimum initial cost 30,000 yen / minimum monthly cost 9,800 yen



3. Management agency

15% of sales revenue



FLOW | STOCK | STOCK

Crowdfunding business

TATERU Funding

exceed 80,000 members

Real estate investment-type crowdfunding starting from 10,000 yen per account via app

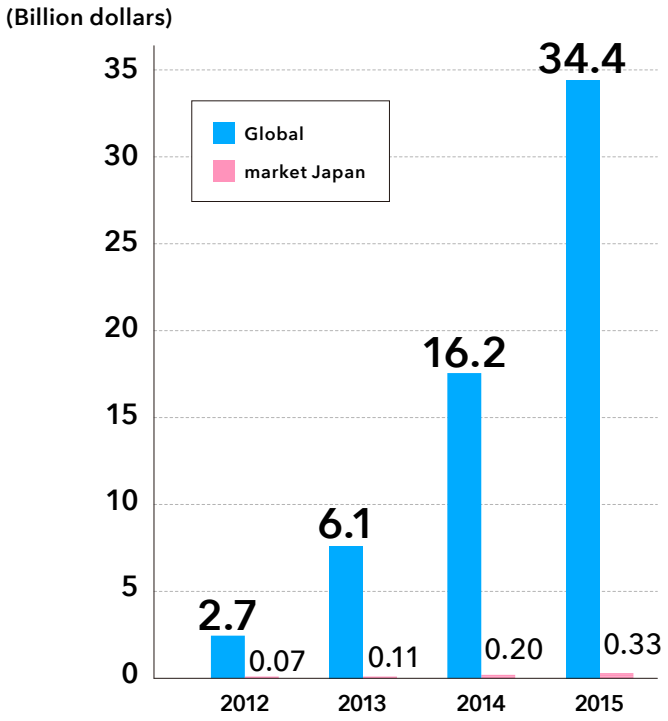
- Investment starting from 10,000 yen per account
- Application/cancellation procedures are free of charge
- Annual yield is 3%-5%

as of December 31, 2018

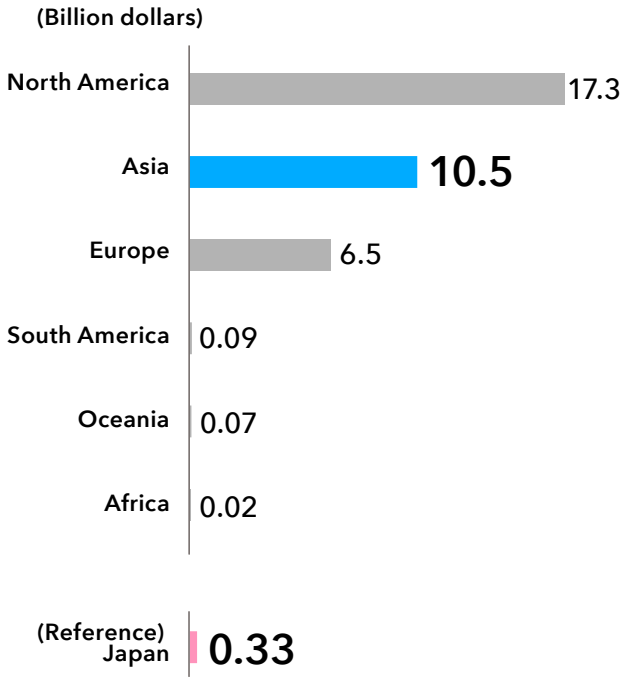
Stopped raising funds after October, 2018

Global crowdfunding market size

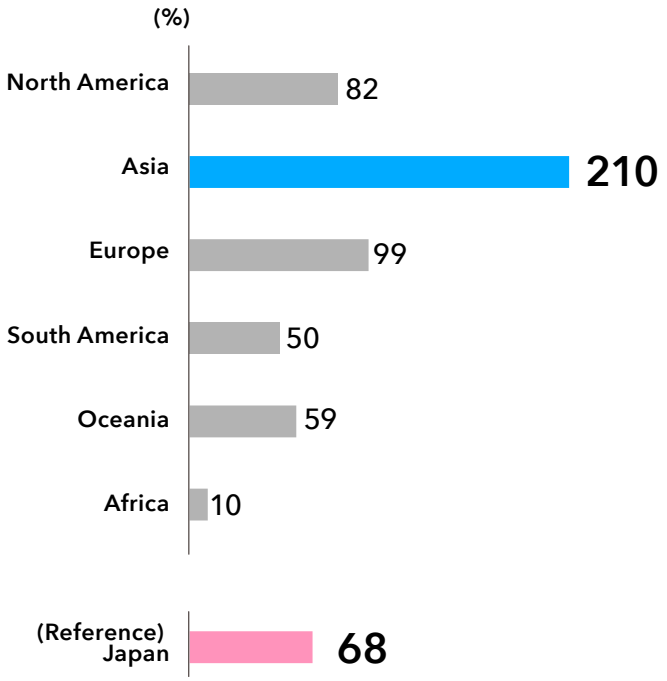
Trends in global crowdfunding market size



Regional market size

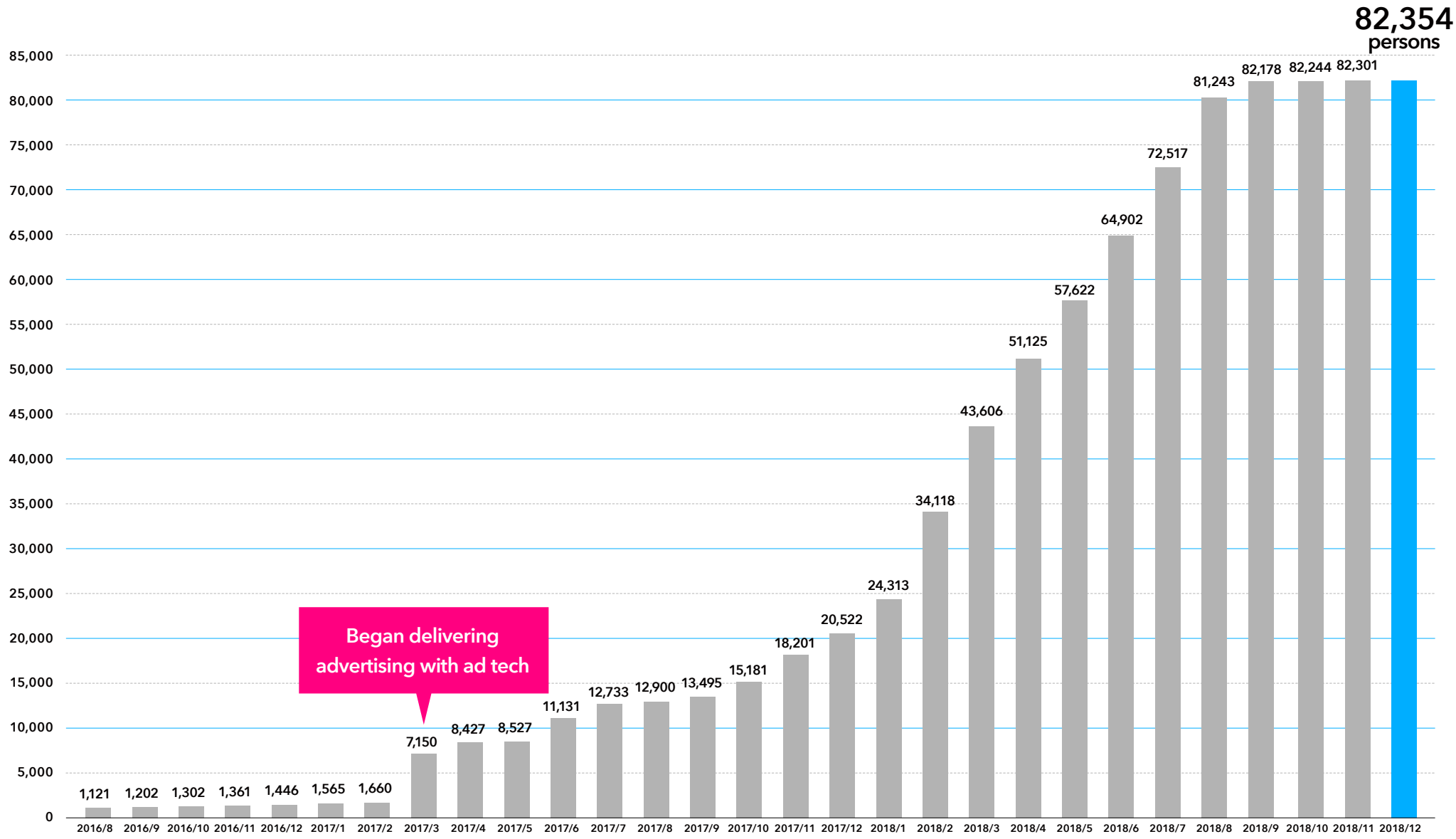


Growth rates (YoY)



* As of 2015 *Japanese market size calculated with an exchange rate of 1 USD = 110 JPY
* Created based on the "2015CF Crowdfunding Industry Report," Yano Research Institute, Statista, and Massolution/Crowdsourcing.org

Trends in membership since start of operation



Synergies with the TATERU Apartment business

Retention of new customers and strategy to enable cross-selling to "TATERU Apartment"

Supporting apartment management entrepreneurship

TATERU Funding MARKET

Inflow to "TATERU Apartment"

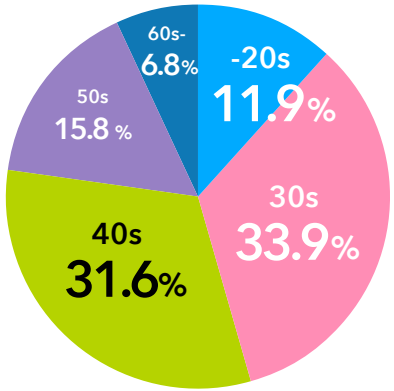
Sales of 16 blocks in TATERU Apartment
Sales of 1,103 million yen

TATERU Apartment

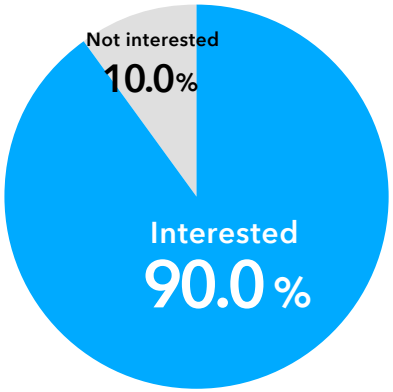
- TATERU Funding to initiate TATERU Apartment management entrepreneurship
- Cultivating new customer base starting from the approachable amount of 10,000 yen per account
- Crowdfunding, a new choice that utilizes IT

Applicants ratio

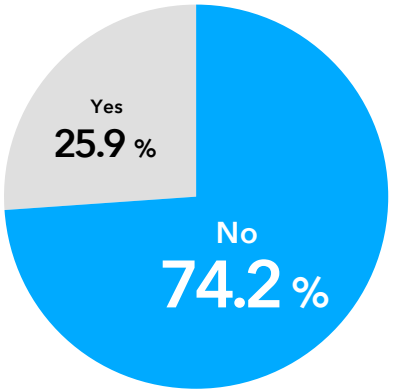
Age



Real estate investment

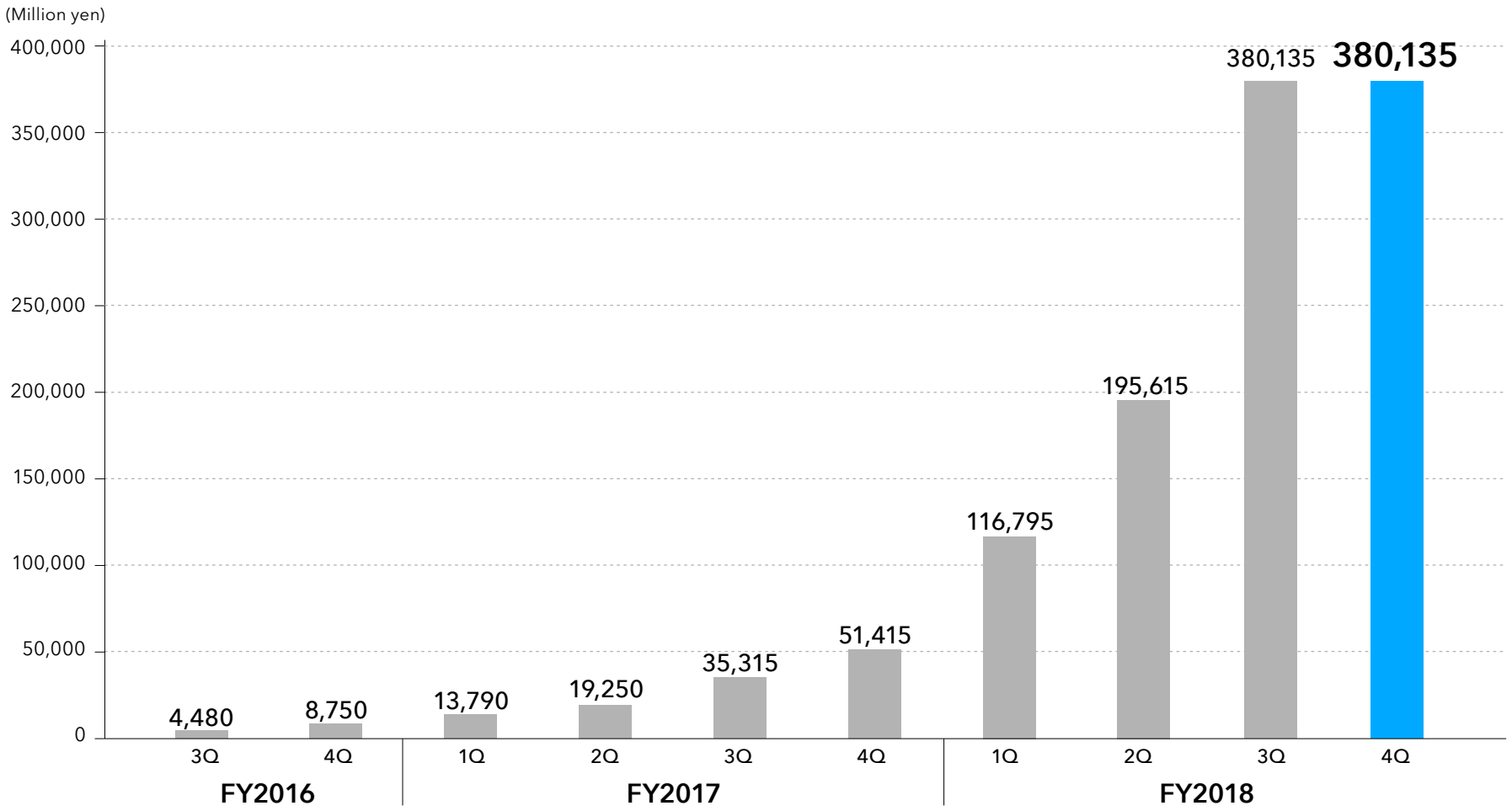


Experience in real estate investment



as of December 31, 2018

58 funds in total, cumulative total funds solicited of 3,801.35 million yen



Disclaimer regarding forward-looking statements

The materials and information presented in this release include “forward-looking statements.” These statements are based on expectations, forecasts, and assumptions that are subject to risks at the time of release, and include uncertainties that may cause outcomes to differ in substance from these statements.

These risks and uncertainties include industries in general, market conditions, and general domestic and international economic conditions such as interest rate and foreign exchange fluctuations.

TATERU undertakes no obligation to update or revise the “forward-looking statements” included in this release, even in the event of new information, future events, or other circumstances.