



November 22, 2019

Company name: TATERU, Inc.  
Representative: Daisaku Furuki, Representative Director/CEO  
(Stock exchange code: 1435, TSE First Section)  
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### Notice Concerning Formulation of Management Policy

TATERU, Inc. (“the Company”) hereby announces that it has decided on its management policy as follows for the period from 2019 to 2022, aiming toward future growth.

#### 1. Outline of management policy

The Company intends to strengthen its business by dividing it into the following three areas in order to clarify its business portfolio, which emphasizes profitability.

##### (i) Stable income area (PM platform business)

- stable recurring income from management fee income
- expanding sales of IoT products
- expanding warranty service

##### (ii) Strategic growth area (Smart hotel business)

- in addition to the 22 facilities (104 rooms) we are operating, we aim to open a further 23 facilities (30 rooms) in 2020
- expanding operation to more locations
- selling to investors, being entrusted with more management

##### (iii) Risk control area (Apartment sales business)

- strengthening sales to affluent clients in Japan and overseas
- acquiring a careful selection of apartments in popular areas by utilizing our real estate network
- improving product capabilities with IoT, etc.

#### 2. Financial target for FY2022

Operating income	1.0 billion yen or more
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Forward-looking statements contained in this notice are based on information currently available, and do not represent a commitment from the Company that they will be achieved. Actual business performance may differ significantly due to a number

# Management Policy Briefing Session

November 22, 2019 TATERU, Inc.

# Business Outline

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- **Apartment platform business**

- **Apartment sales business**
- **PM platform business**

- **Smart hotel business**

# Apartment Sales Business

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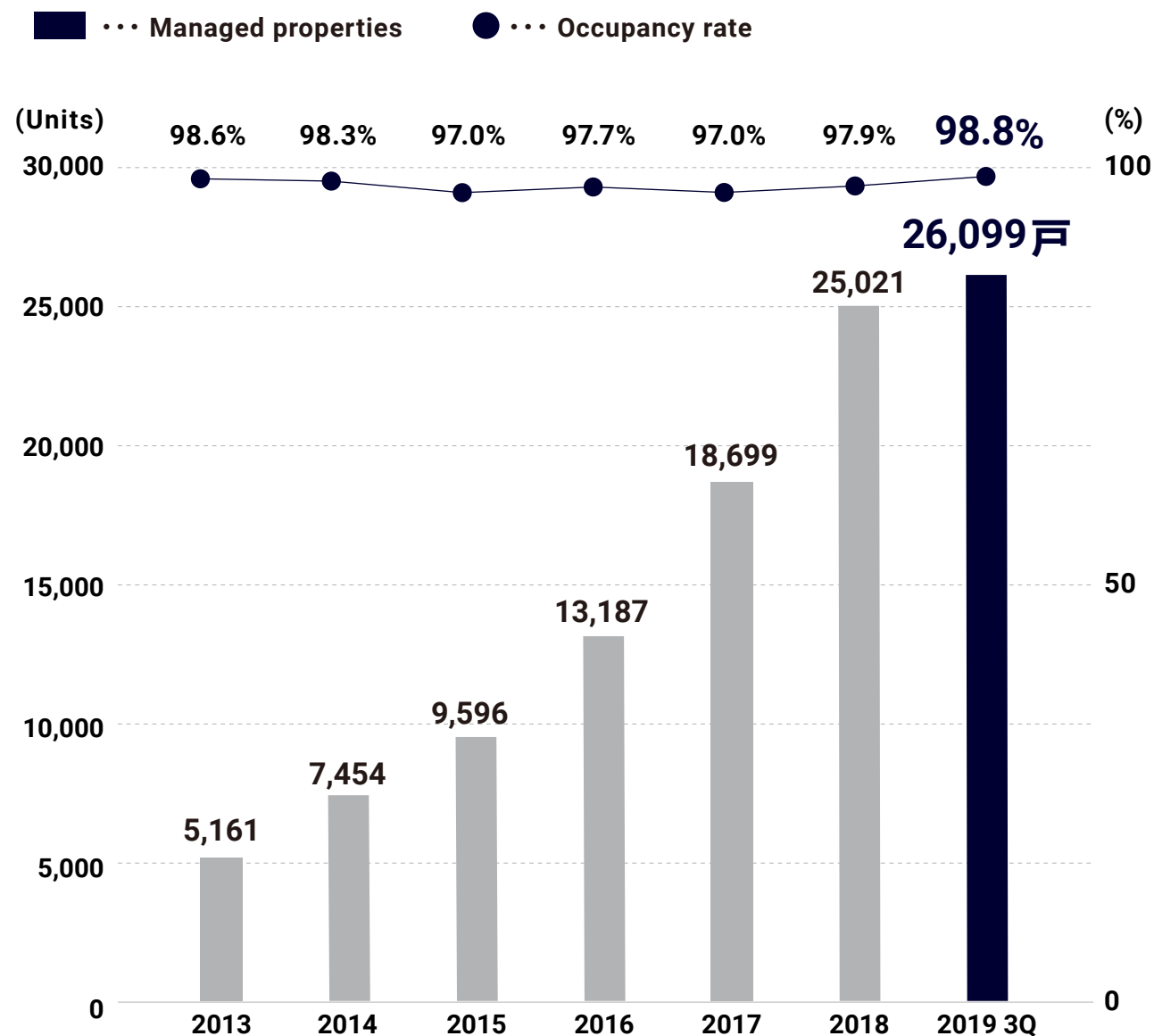
- **Properties within 10 mins walking distance from stations in major cities around the country**  
(Within 15 mins from major terminal stations)
- **Differentiated by installation of our internally-developed IoT products in all apartments**
- **Achieved an occupancy rate of 98.8%**



\*As of September 30, 2019



# Stable Recurring Income



Occupancy rate

98.8%

Managed properties

26,099 units

Zero  
sub-  
leasing

\*As of September 30, 2019

# Smart Hotel Business

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## Business opportunities

- Expanding inbound demand
- Revision of Hotel Business Act
- Separation of lodging and meals

## Our strengths

- Real estate knowhow concerning plot procurement, planning & development, operation, etc.
- IoT development capabilities



# Machiya Townhouse Style Accommodation Facility

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# Feature 1

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## STEP1

The smart lock makes it unnecessary to hand over keys



SMART LOCK

## STEP2

Check-in with the tablet provided in the room



CHECK-IN PAD

\*In-room tablets under trial in three facilities

## STEP3

Convenient travel with a chat concierge  
(in 5 languages)

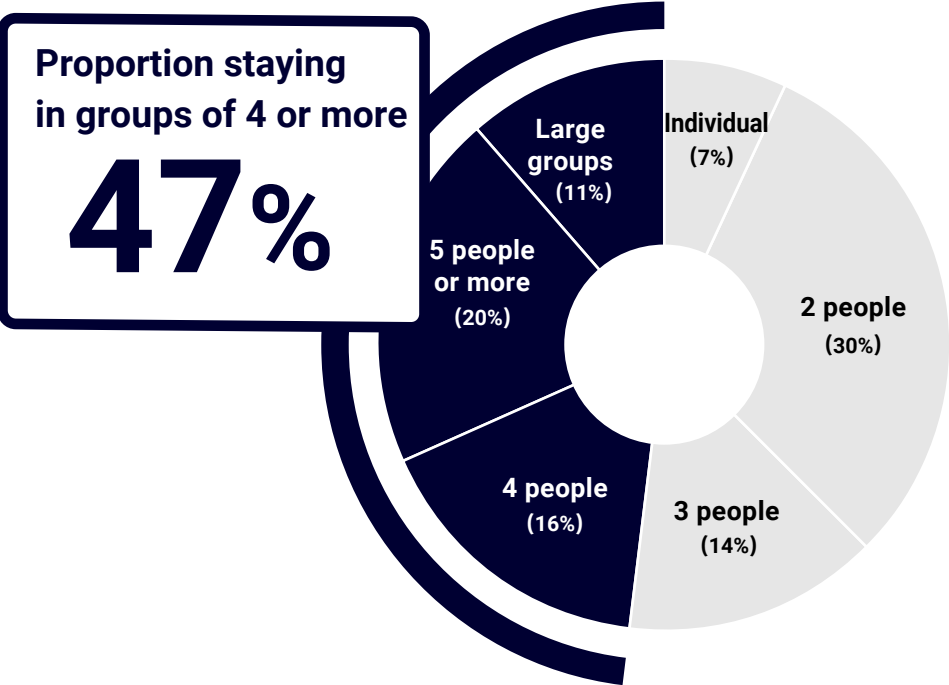


TRIP CONCIERGE

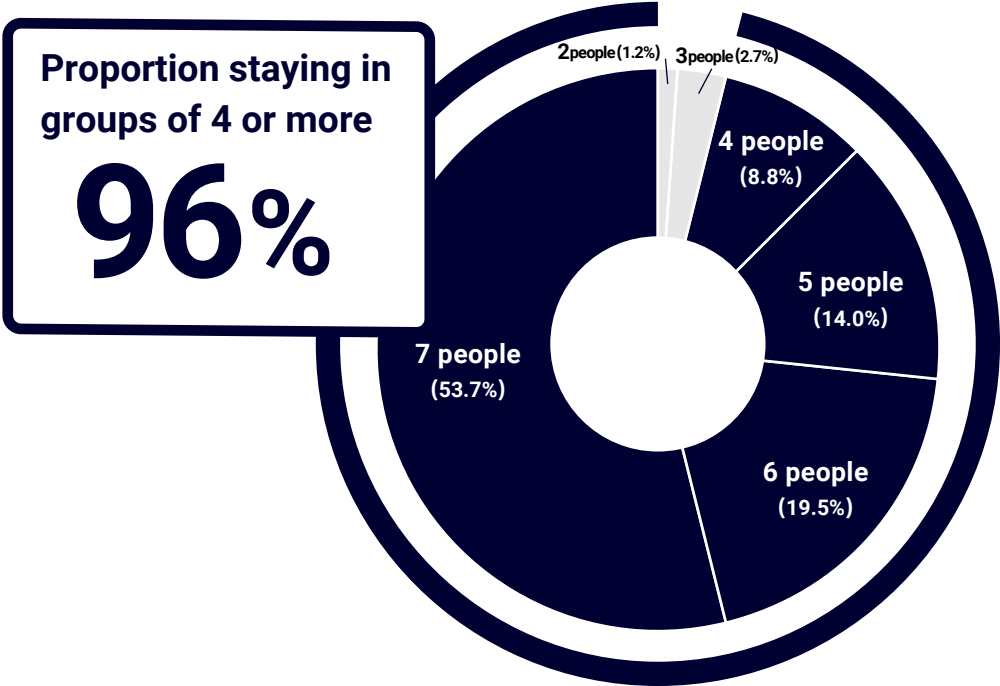
# Increasing efficiency with ICT

# Feature 2

Details of guest numbers  
for domestic travelers



Details of guest numbers  
for facilities operated by the Company  
January 2018 to September 2019

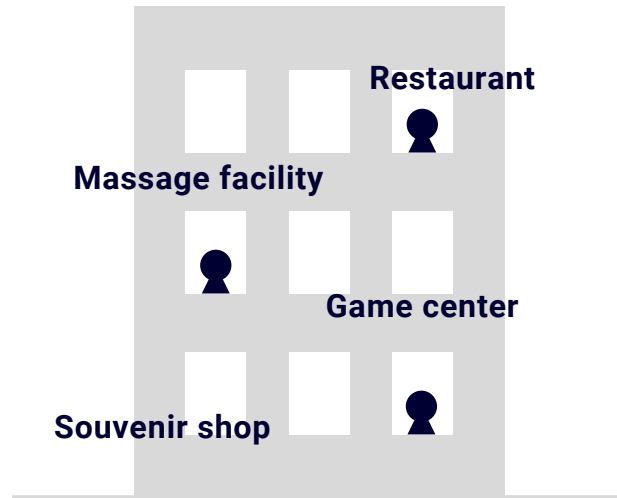


\*Compiled by the Company from the 2016 Travel and Tourism Consumption Trend Survey (confirmed)

Realization of reasonable accommodation  
costs through group stays

# Feature 3

**Conventional accommodation facilities**  
= Spending only happens in the facility



**Decentralized accommodation facilities**  
= Spending happens in the community



**Contributing to the local economy  
by encouraging spending  
in local restaurants, etc.**

The infographic consists of two rows. The first row features a dark blue circle followed by the text 'Operating ..... 22 facilities (104 rooms)'. The second row features a pink circle followed by the text 'Planned to open in 2020 ..... 23 facilities (30 rooms)'. At the bottom left, there is a note: '\*As of September 30, 2019'.

Category	Count	Rooms
Operating	22	104
Planned to open in 2020	23	30

\*As of September 30, 2019



# Initiatives Taken So Far

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## ● Financial structure improvement

Lump sale of inventory, impairment, etc.

Substantially debt-free management

(cash and deposits: ¥8,116 million; interest-bearing liabilities: ¥3,001 million)

## ● Organizational structure reform

Selling, general, and administrative expenses are down 23.3% year on year

## ● Initiatives to prevent recurrence

(announcements on website, press releases, etc.)

# **Future Management Policy**

# Clarifying Our Business Portfolio Emphasizing Profitability

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Business area	Sales	Profit
1. Stable income area	 Increase	 Increase
2. Strategic growth area	 Increase	 Increase
3. Risk control area	 Decrease	 Improvement

# 1. Stable Income Area (PM Platform Business)

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- **Stable recurring income from management fee income (zero sub-leasing)**

Occupancy rate **98.8%**      Managed properties **26,099** units

\*As of September 30, 2019

- **Expanding sales of IoT products**
- **Expanding warranty service**



## 2. Strategic Growth Area (Smart Hotel Business)

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● **Operating ..... 22 facilities (104 rooms)**

**Planned to open in 2020 ..... 23 facilities (30 rooms)**

\*As of September 30, 2019

● **Expanding operation to more locations**

● **Selling to investors, being entrusted  
with more management**

### **3. Risk Control Area (Apartment Sales Business)**

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- **Strengthening sales to affluent clients in Japan and overseas**
- **Acquiring a careful selection of apartments in popular areas by utilizing our real estate network**
- **Improving product capabilities with IoT, etc.**

# Financial Target for FY2022

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**Operating income**

**¥1.0 billion  
or more**

# **Toward a New TATERU**

# Formulating a New Management Philosophy

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**Slogan**

**Bringing value to your lifestyle**

**Basic philosophy**

**We aim to meet the world's expectations  
and provide affluent lifestyles through technology**



TATERU