MIGALO HOLDINGS

Financial Results

for the 1H of the Fiscal Year Ending March 31, 2024

MIGALO HOLDINGS,Inc.

Securities Code:5535

November 2023

※The figures for 1H of the fiscal year ending March 2024 are the results of Property Agent,Inc. which has been delisted.

Contents

1. Company Profile

2. Business Details and Future Outlook

3. Consolidated Results Summary

4. FY3/2024 Annual Forecast

5. 1H FY3/2024 Topics

※Figures up to Q1 of the fiscal year ending March 2024 are financial results for Property Agent ,Inc. which has been delisted.

1. Company Profile

Notification of transition to holding company structure

Property Agent transformed into MIGALO HOLDINGS on October 2, 2023

Management Philosophy

We contribute to solutions to society's problems by creating new value through the melding of digital and real.

Group structure

MIGALO HOLDINGS has established an operating structure based on seven subsidiaries.

DX Promotion Business

- Expand facial recognition service business based on system development

DXYZ **AVANT CORPORATION**

BERNERS **resolver**

CBLab. **CLOUDTECH+**

Parent company

MIGALO HOLDINGS

DX Real Estate Business

- Development, sales, leasing, and management of investment real estate in city centers of Tokyo
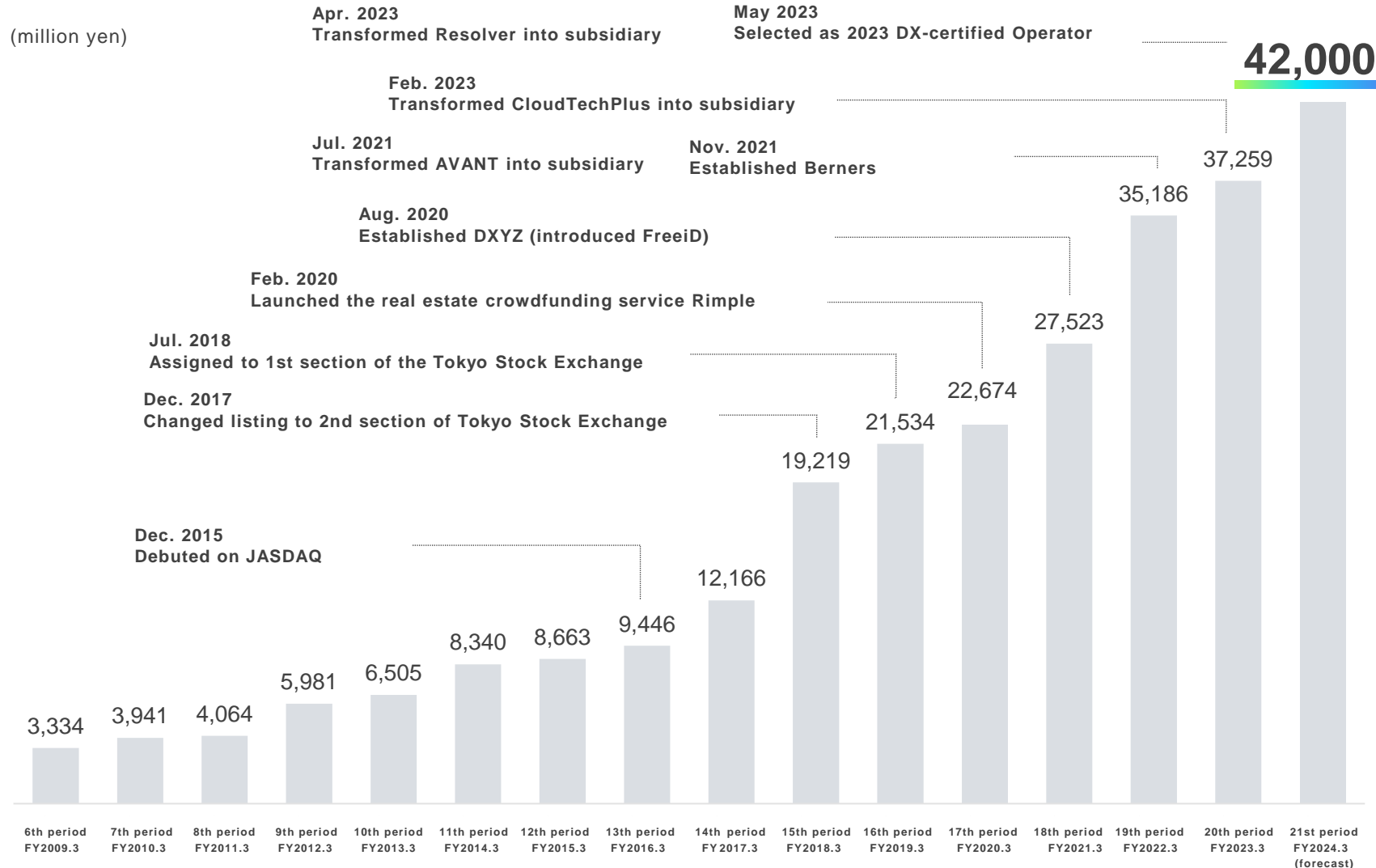- Real estate crowdfunding

PROPERTY AGENT

Further accelerate growth by simultaneously promoting two businesses, foster autonomous management and management human resources, strengthen Group management, and generate synergies within the Group.

Company Overview

Company Name	MIGALO HOLDINGS,Inc.
Headquarters	41F Shinjuku I-Land Tower, 6-5-1 Nishishinjuku, Shinjuku-Ku, Tokyo, Japan
Representative	Sei Nakanishi President and Representative Director
Incorporation date	October 2, 2023
Share Capital	7 million yen
Employees	401 persons（consolidated basis/as of September 30, 2023/including non-full-time employees）
Businesses	Formulation of business strategies and management of the Group's businesses (DX Promotion Business and DX Real Estate Business)
Group Campanies	DX Promotion Business: DXYZ Co.,Ltd. / Avant Corporation. / Berners Inc. / CBLab inc. CloudTechPlus Co.Ltd / resolver inc DX Real Estate Business: PROPERTYAGENT, Inc.

History and sales

(million yen)

Apr. 2023
Transformed Resolver into subsidiary

May 2023
Selected as 2023 DX-certified Operator

Feb. 2023
Transformed CloudTechPlus into subsidiary

42,000

Jul. 2021
Transformed AVANT into subsidiary

Nov. 2021
Established Berners

37,259

Aug. 2020
Established DXYZ (introduced FreeiD)

35,186

Feb. 2020
Launched the real estate crowdfunding service Rimple

27,523

Jul. 2018
Assigned to 1st section of the Tokyo Stock Exchange

22,674

Dec. 2017
Changed listing to 2nd section of Tokyo Stock Exchange

21,534

19,219

12,166

Dec. 2015
Debuted on JASDAQ

9,446

8,340   8,663

6,505

5,981

3,334   3,941   4,064

Oct. 2023

Established MIGALO HOLDINGS Newly listed on Tokyo Stock Exchange's Prime Market

Since founding

Sales and profit growth for 20 consecutive quarters

FY2024/3 net sales (forecast)

Passes 40.0 billion yen

| 6th period FY2009.3 | 7th period FY2010.3 | 8th period FY2011.3 | 9th period FY2012.3 | 10th period FY2013.3 | 11th period FY2014.3 | 12th period FY2015.3 | 13th period FY2016.3 | 14th period FY2017.3 | 15th period FY2018.3 | 16th period FY2019.3 | 17th period FY2020.3 | 18th period FY2021.3 | 19th period FY2022.3 | 20th period FY2023.3 | 21st period FY2024.3 (forecast) |

MIGALO HOLDINGS
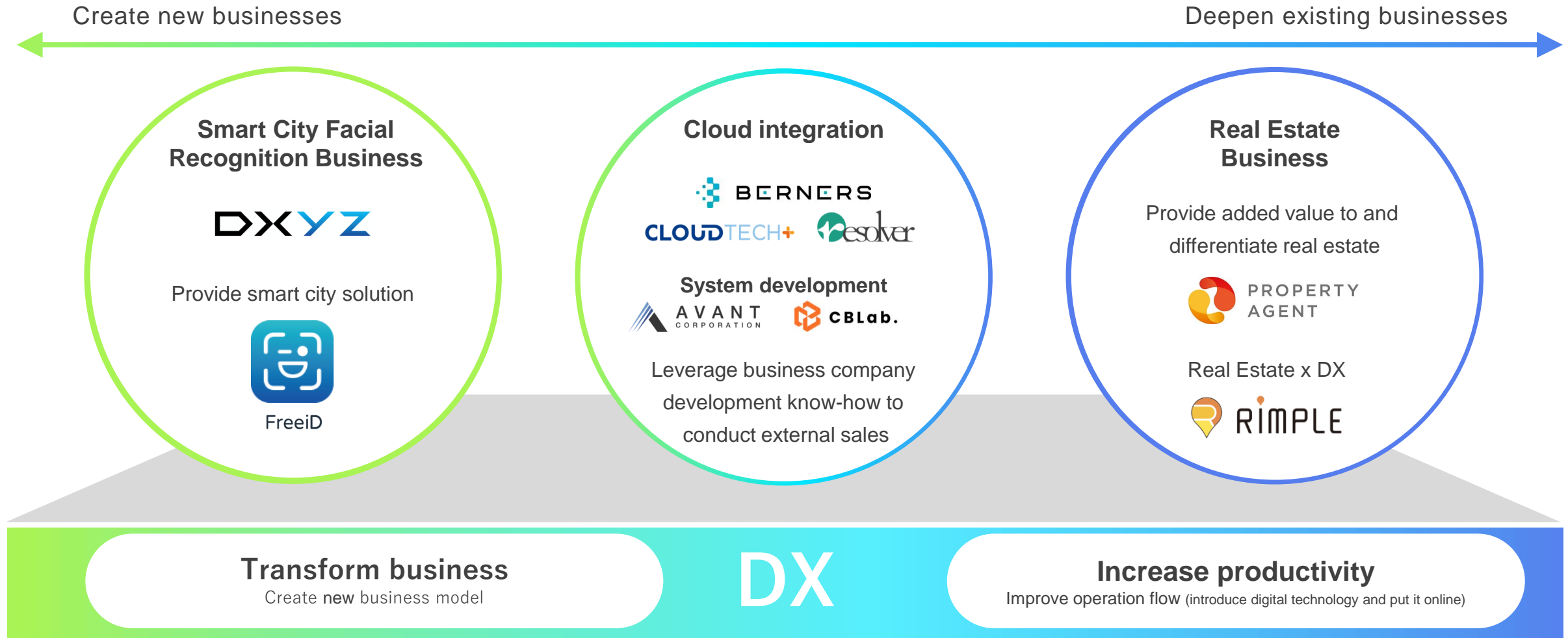
2. Business Details and Future Outlook

Businesses developed by the Group

Deepen core businesses and create new businesses with DX as their foundation

Create new businesses ← → Deepen existing businesses

Smart City Facial Recognition Business

DXYZ

Provide smart city solution

FreeiD

Cloud integration

BERNERS

CLOUDTECH+ **esolver**

System development

AVANT CORPORATION **CBLab.**

Leverage business company development know-how to conduct external sales

Real Estate Business

Provide added value to and differentiate real estate

PROPERTY AGENT

Real Estate x DX

RIMPLE

DX

Transform business
Create new business model

Increase productivity
Improve operation flow (introduce digital technology and put it online)

Facial recognition platform summary

Create new work styles and living styles that were not possible in the past

FreeiD makes it possible to use various facial recognition services by registering facial information a single time. Transitioning to a multi-platform makes it possible not only to enter and leave buildings, confirm identity, and make payments but also to earn points, issue coupons, etc. Leveraging its IT development capabilities and real estate knowledge, the Group provides solutions for smart cities in which everyone can conveniently live.

9

Examples of Face Recognition Services in Japan

Facial recognition services are beginning to spread in Japan.

Tokyo Olimpics

Fuji-Q Highland
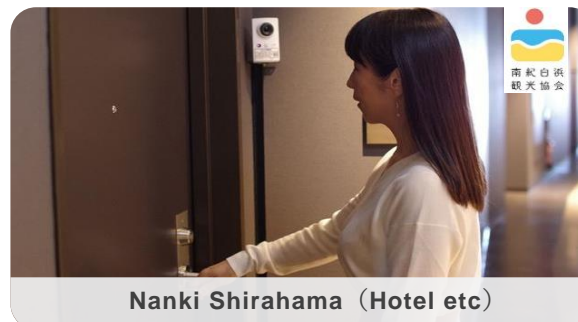

Haneda airport

Tokyo Dome
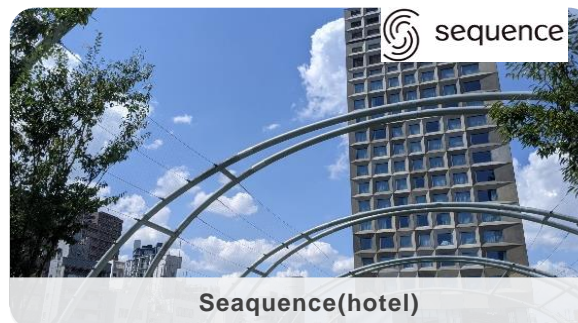
Seaquence(hotel)
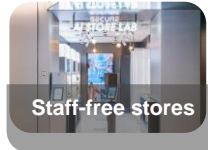

JR West Japan

B LEAGUE

Nanki Shirahama（Hotel etc）

MITSUBISHI ESTATE CO., LTD.（Bus）

Main cases of providing facial recognition services

SaaS Solution

Staff-free stores
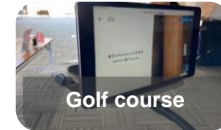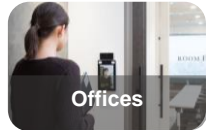
SECURE

Condominium

PROPERTY AGENT
CREVIA RXE クレヴィア リゼ
DAIICHI JUKEN GROUP
三菱地所
marimo
SHIN NIHON TATEMONO 新日本建物
MUGEN ESTATE

Golf course

セブンハンドレッドクラブ

Nursery school

株式会社 チャイルド社

Offices

東急コミュニティー
TSUNEISHI
共立製薬
UZUZ
ライト工業株式会社
calmic

Government offices and schools

KYOTO
KAMEOKA CITY 亀岡市
近畿大学 KINDAI UNIVERSITY

SaaS Custom
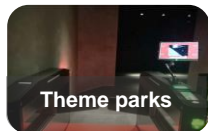
Theme parks

RED TOKYO TOWER
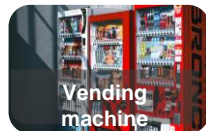
FreeID adopted for identity verification at esports Park's RED TOKYO TOWER

Vending machine

Facial recognition payments for vending machines

* Under development

Linked to attendance system

100年をつくる会社 鹿島
TSUNEISHI

Construction sites

Listed on Tokyo Stock Exchange Provide development services for general contractors

Introduced after developing as FreeiD solution

PaaS platform

人を、想う力。街を、想う力。
三菱地所
Machi Pass

Provide technology and support development of Machi Pass Face, Mitsubishi Estate's facial recognition service alliance platform

MIGALO HOLDINGS

11

First facial recognition condominiums spread throughout Japan

FreeiD introduced Condominium units   total **49** condominium

Introduction Area

All facial recognition condominium   **33** condominium

Expanding to all over Japan

Number of campanies   Total **25** campanies

NEW

人を、想う力。街を、想う力。
三菱地所
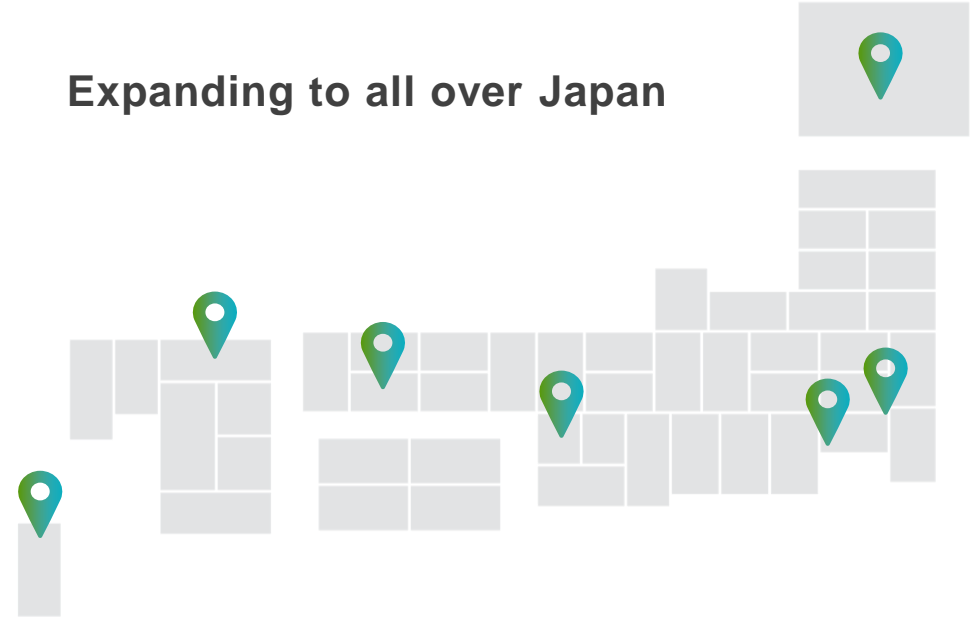
FreeiD to be installed in "The Park Habio Shinsakae (tentative name)" developed and managed by MITSUBISHI ESTATE RESIDENCE CO.,LTD.

新日本建物

MUGEN ESTATE

CREVIA RXE
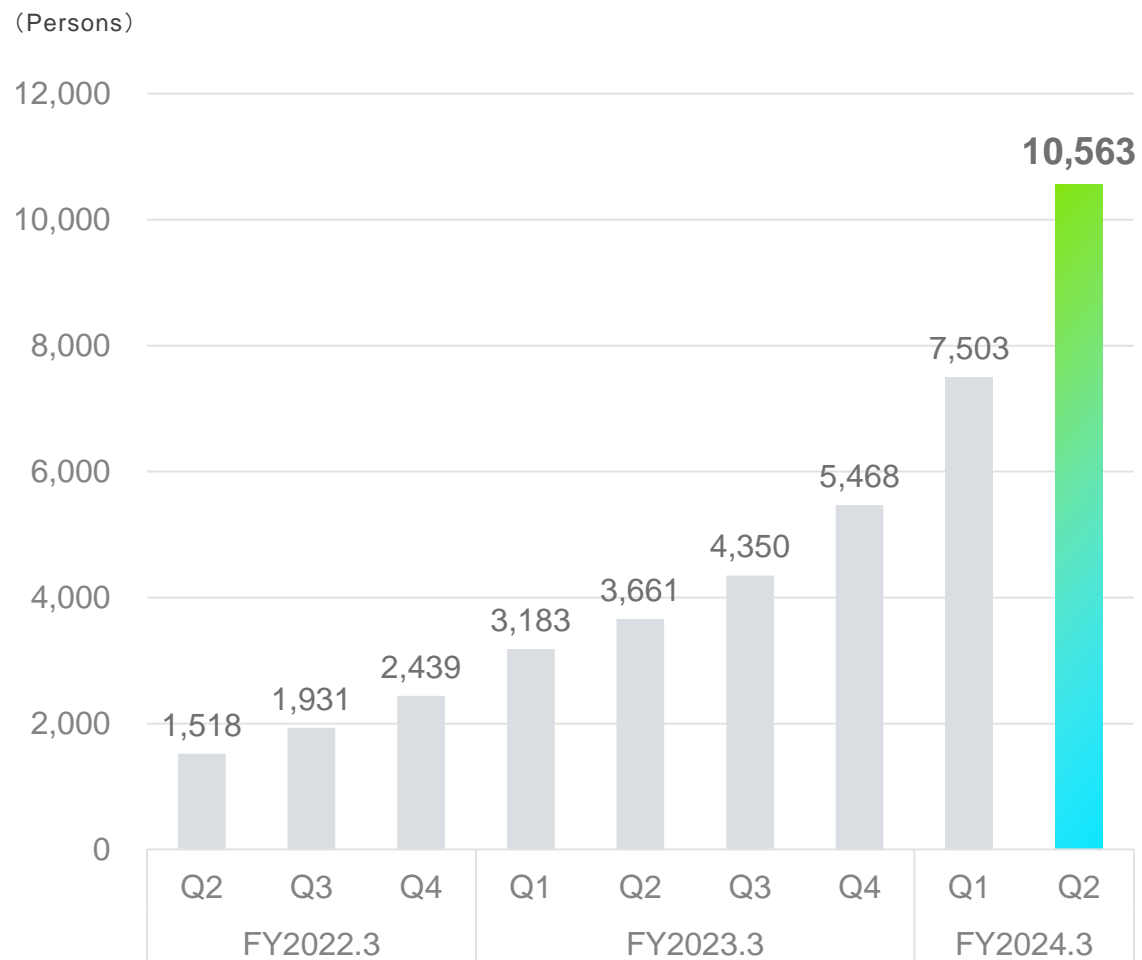クレヴィア リグゼ

東急コミュニティー

marimo

DAIICHI JUKEN GROUP

* As of September 30, 2023

新日本建物 × DXYZ FreeiD

東急コミュニティー × DXYZ FreeiD

Facial recognition platform "FreeiD"

Number of "FreeiD" users

Number of solutions
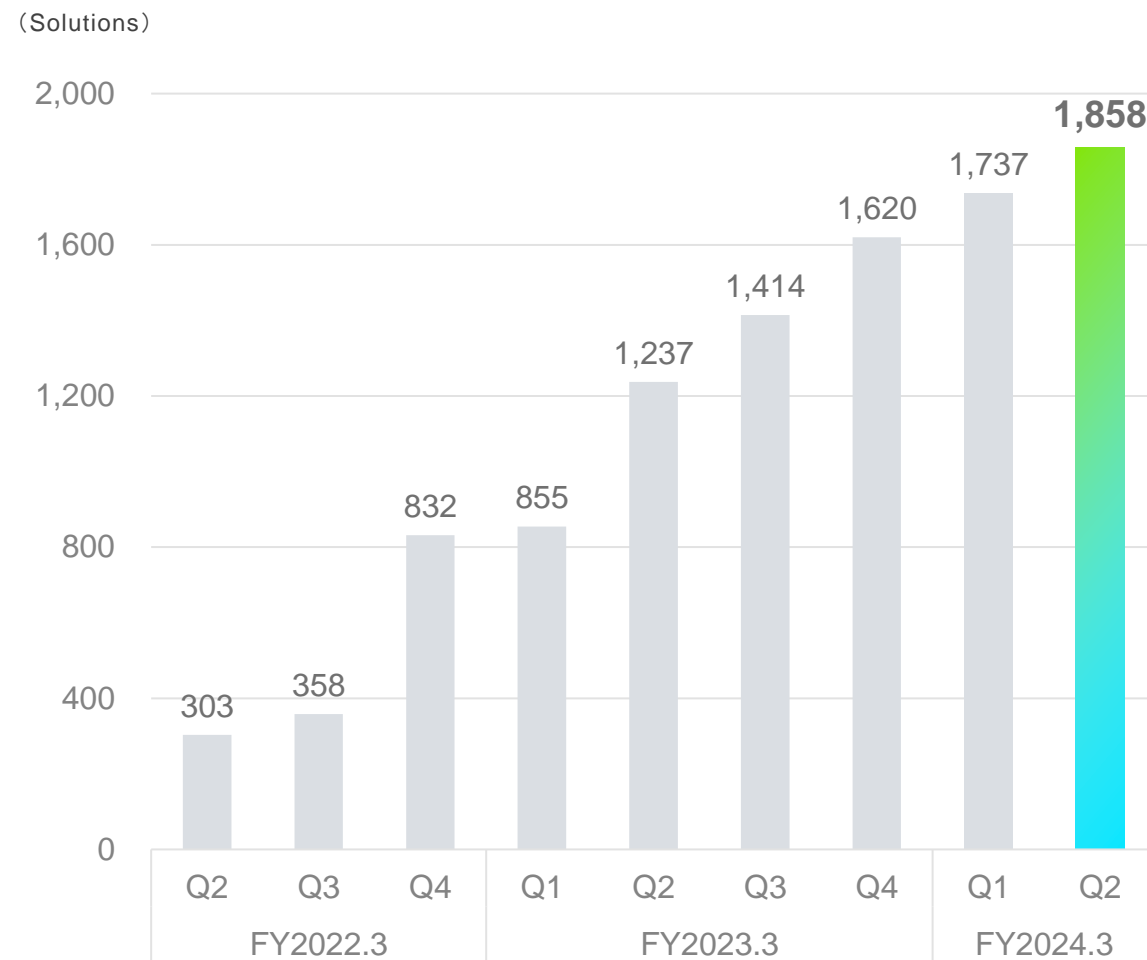
Facial recognition platform FreeiD partner companies

FreeiD

Potential number of units that FreeiD could be used in through partner corporations

More than 2.00 million units

OSAKI

Smart lock OPELO has been introduced into more than 200,000 units (includes concluded contracts as of June 30, 2023)

GIGA PRIZE

ISP service for apartment complexes has been introduced into a total of 1.05 million units (as of March 31, 2023)

安全・安心・快適を創造する
株式会社スパックエキスプレス
Safety Peace Amenity Creation

Has partner companies, such as office design company, that are building/condominium management companies.

東急コミュニティー

Condominium units under management: 867,891 Building/facility management properties: 1,656 (as of March 31, 2023)

中国電設工業株式会社

Has undertaken telecommunication-related construction projects over seventy years throughout Japan, but maily Hiroshima

---

株式会社チャイルド社

Handles operation for nursery schools, kindergartens, and similar venues IT system. Has introduced into more than 3,000 schools

---

MIGALO HOLDINGS

14
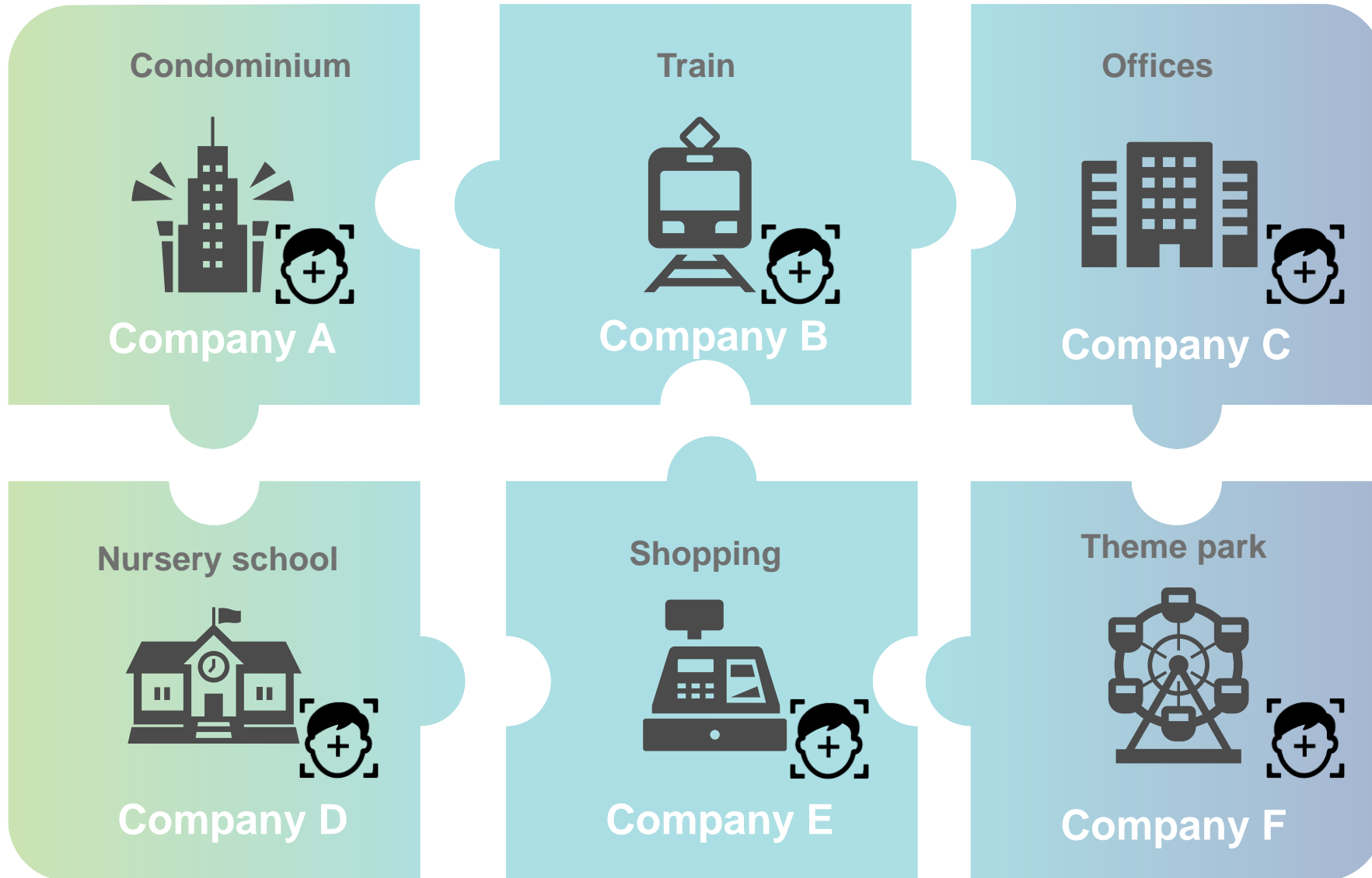
Facial recognition services

Transiting to a **multi-platform** makes it possible not only to enter and leave buildings, confirm identity, and make payments but also to earn points, issue coupons, etc.

Condominium	Train	Offices
Company A	Company B	Company C

FreeiD

FreeiD makes it possible to use various facial recognition services by recording facial information a single time

Nursery school	Shopping	Theme park
Company D	Company E	Company F

16

MIGALO HOLDINGS
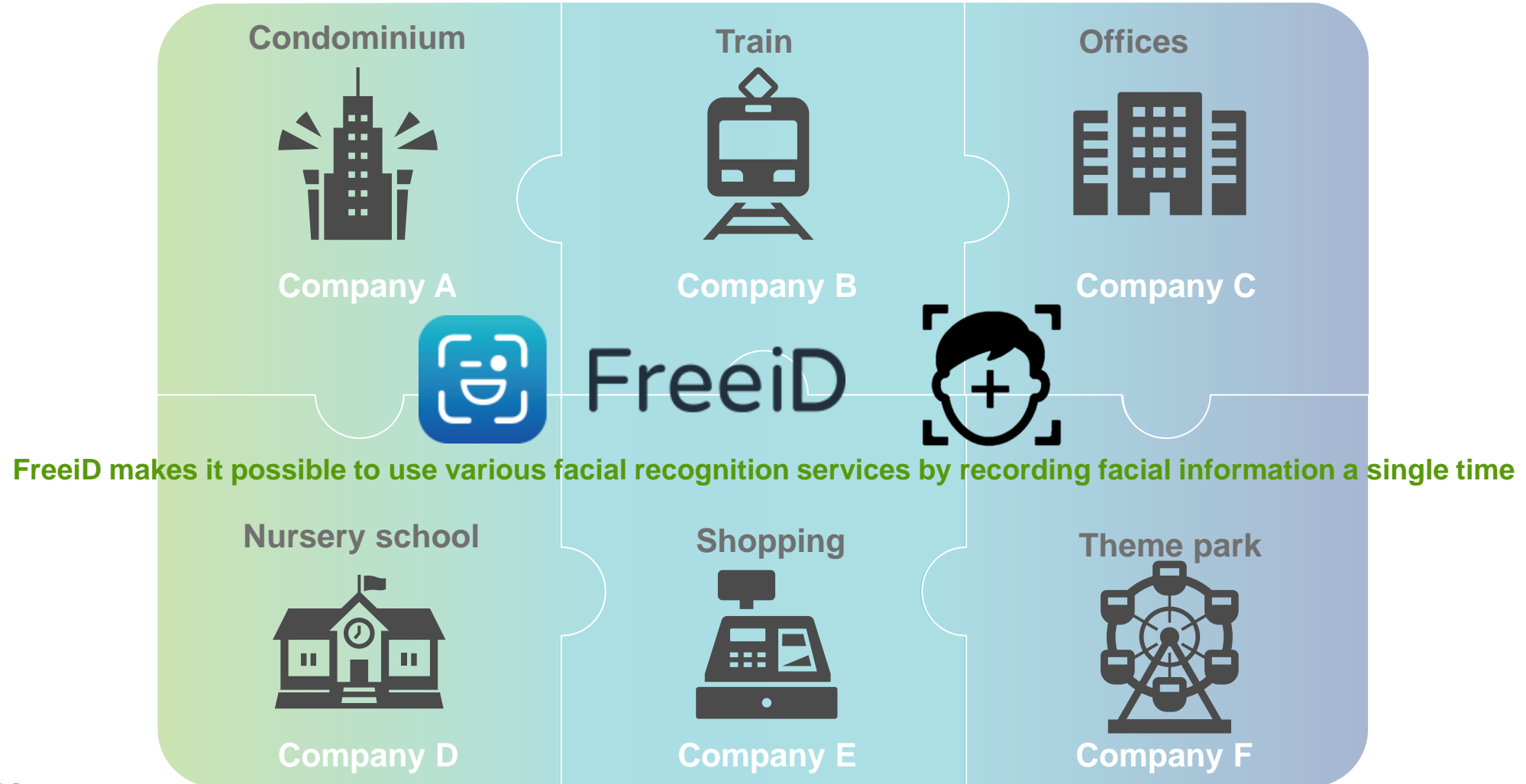
DX market scale (size of facial recognition market)

The actual size of the market that can be approached is approximately 160 times the previous year's sales, and there is considerable room for expansion.
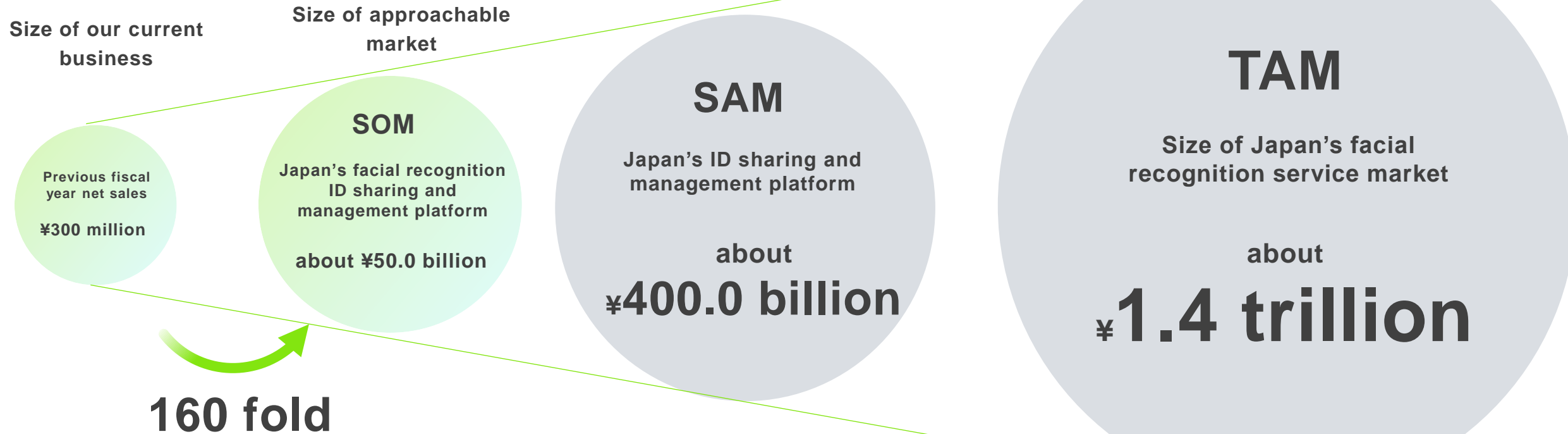
Size of our current business

Size of approachable market

Previous fiscal year net sales

¥300 million

SOM

Japan's facial recognition ID sharing and management platform

about ¥50.0 billion

160 fold

SAM

Japan's ID sharing and management platform

about
¥400.0 billion

TAM

Size of Japan's facial recognition service market

about
¥1.4 trillion

Businesses developed by the Group

Deepen core businesses and create new businesses with DX as their foundation

Create new businesses ← → Deepen existing businesses

Smart City Facial Recognition Business

DXYZ

Provide smart city solution

FreeiD

Cloud integration

BERNERS

CLOUDTECH+ resolver

System development

AVANT CORPORATION CBLab.

Leverage business company development know-how to conduct external sales

Real Estate Business

Provide added value to and differentiate real estate

PROPERTY AGENT

Real Estate x DX

RIMPLE

Transform business
Create new business model

DX

Increase productivity
Improve operation flow (introduce digital technology and put it online)

MIGALO HOLDINGS
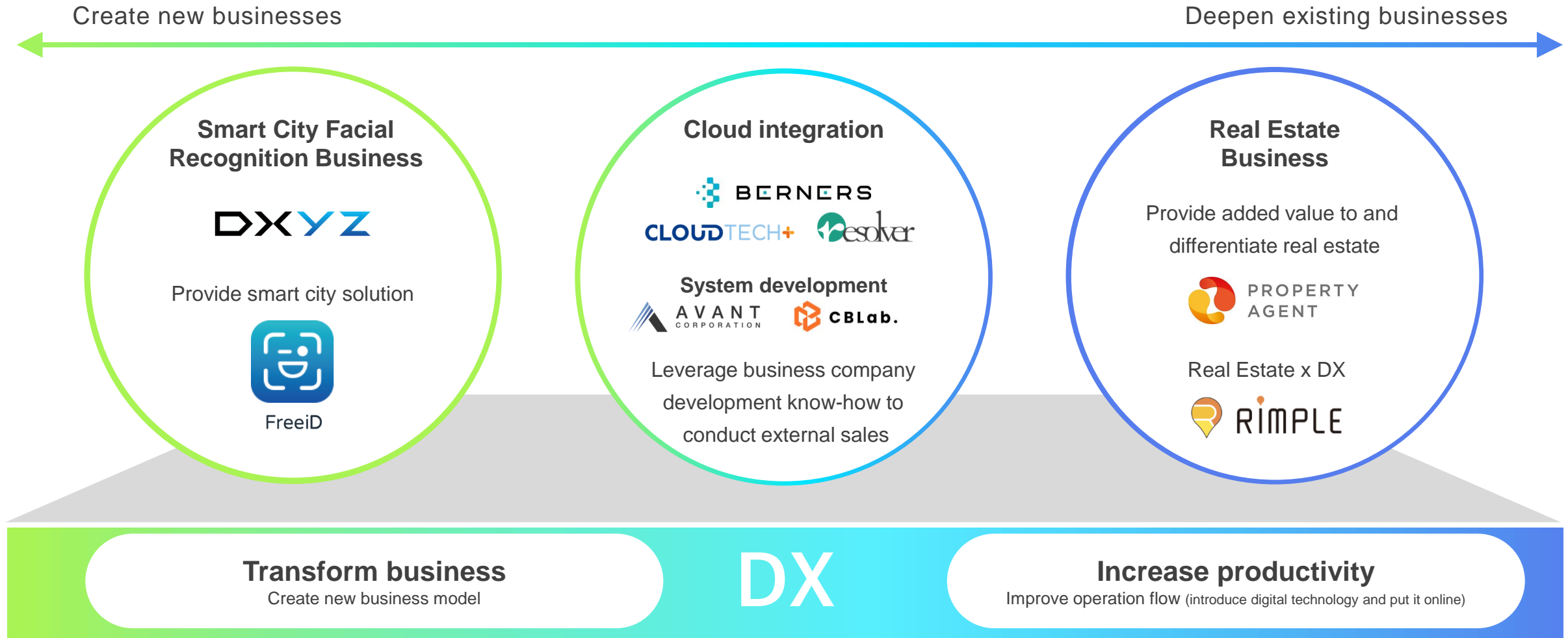
Strength in implementing DX

Digitalizing the Group's business companies' operations =

Transforming the business through DX

Ability to introduce this DX know-how to other companies is

one of the Group's strengths.

Support DX promotion by introducing know-how

acquired through our own DX to other companies

- Support the introduction, operation, and taking root

  of Salesforce/AWS

- System consulting to promote DX

- System development that makes use of extensive

  development capabilities and know-how

- Cover a wide range of fields and industries

Facial recognition ID platform

DXYZ

▲

Facial recognition condominium growth

Know-how to increase productivity

Know-how to transform business

PROPERTY AGENT

Digitalize one's own operations
Share know-how

▼

Cloud integration

BERNERS resolver

CLOUDTECH+

Digitalize one's own operations
Share know-how

▼

System development consulting

AVANT CORPORATION CBLab.

Know-how to reduce man hours

Expand DX promotion know-how to other companies

MIGALO HOLDINGS

19

Transition of result

Number of active SI projects

(projects)

	FY2022.3/Q2	FY2022.3/Q3	FY2022.3/Q4	FY2023.3/Q1	FY2023.3/Q2	FY2023.3/Q3	FY2023.3/Q4	FY2024.3/Q1	FY2024.3/Q2
	100	117	135	138	172	177	187	197	203

1.2X

MIGALO HOLDINGS
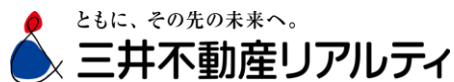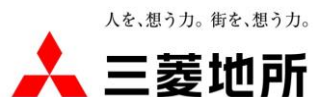
Cloud integration service orivided

Clients that we work with are various leading companies.

Number of
DX promotion and support
services provided

129companies

（QoQ：+24 companies）

* As of September 30, 2023

DX market size (system development market size)

The market size that can actually be approached is large, and there is still room for expansion, given that it is a growing market.

Size of our current business

Size of approachable market

SOM

Previous fiscal year net sales

¥1.5 billion

Including facial recognition
Cloud consulting

about ¥3.4 trillion

SAM

Size of Japan's DX market

(Initiatives to transform operations through AI, IoT, and cloud computing)

about

¥5.2 trillion

TAM

Size of Japan's IT service market

about

¥28 trillion

About 2,000 fold
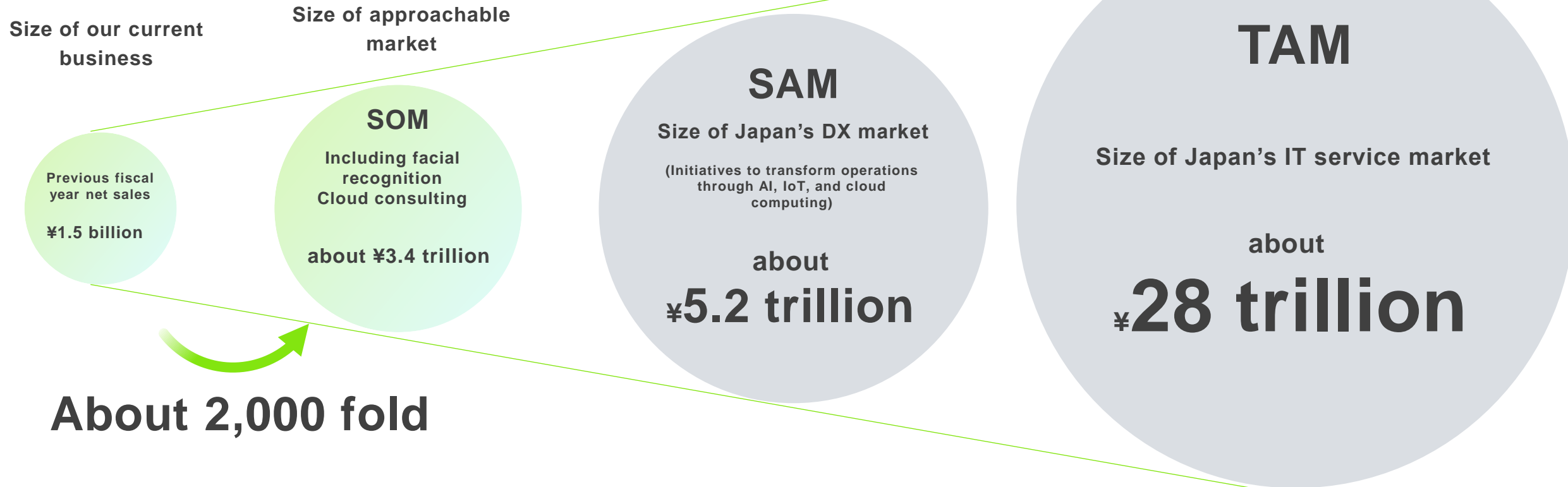
Source: IDC Japan corporation, "Domestic IT Market Industry Sector Forecast 2022-2026" / Fuji Chimera Research Institute, "2022 Digital Transformation Market Future Outlook" / Fuji Chimera Research Institute, "2023 Cloud Computing Present Situation and Future Outlook".

Businesses developed by the Group

Deepen core businesses and create new businesses with DX as their foundation

Create new businesses ← → Deepen existing businesses

Smart City Facial Recognition Business

DXYZ

Provide smart city solution

FreeiD

Cloud integration

BERNERS

CLOUDTECH+ **resolver**

System development

AVANT CORPORATION **CBLab.**

Leverage business company development know-how to conduct external sales

Real Estate Business

Provide added value to and differentiate real estate

PROPERTY AGENT

Real Estate x DX

RIMPLE

DX

Transform business
Create new business model

Increase productivity
Improve operation flow (introduce digital technology and put it online)

Business core（Number of DX Real Estate Members）

We have deployed platforms tailored to customer needs, including the real estate investment crowdfunding "Rimple" and the real estate investment information site "Real Estate Investment Times."

Service operations tailored to social conditions and customer needs

RIMPLE

- Investments can be made from 10,000 yen per unit.
- Operation of real estate coins that can utilize points from other companies

永久不滅ポイント セゾンポイント | Hapitas ハピタス | moppy モッピー

不動産投資Times
プロが伝える資産運用のイマ！

- Over 300 columns have been delivered.
- Real estate investment professionals support as dedicated advisors.

Number of
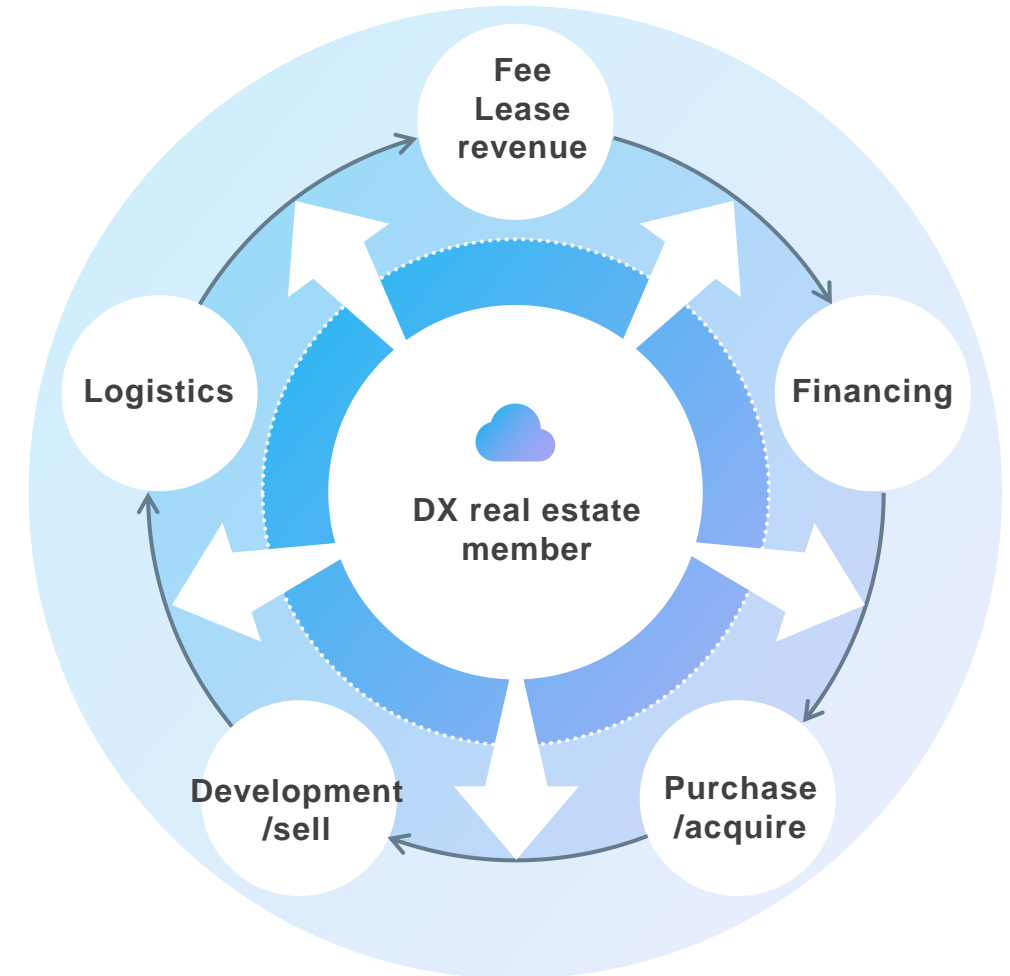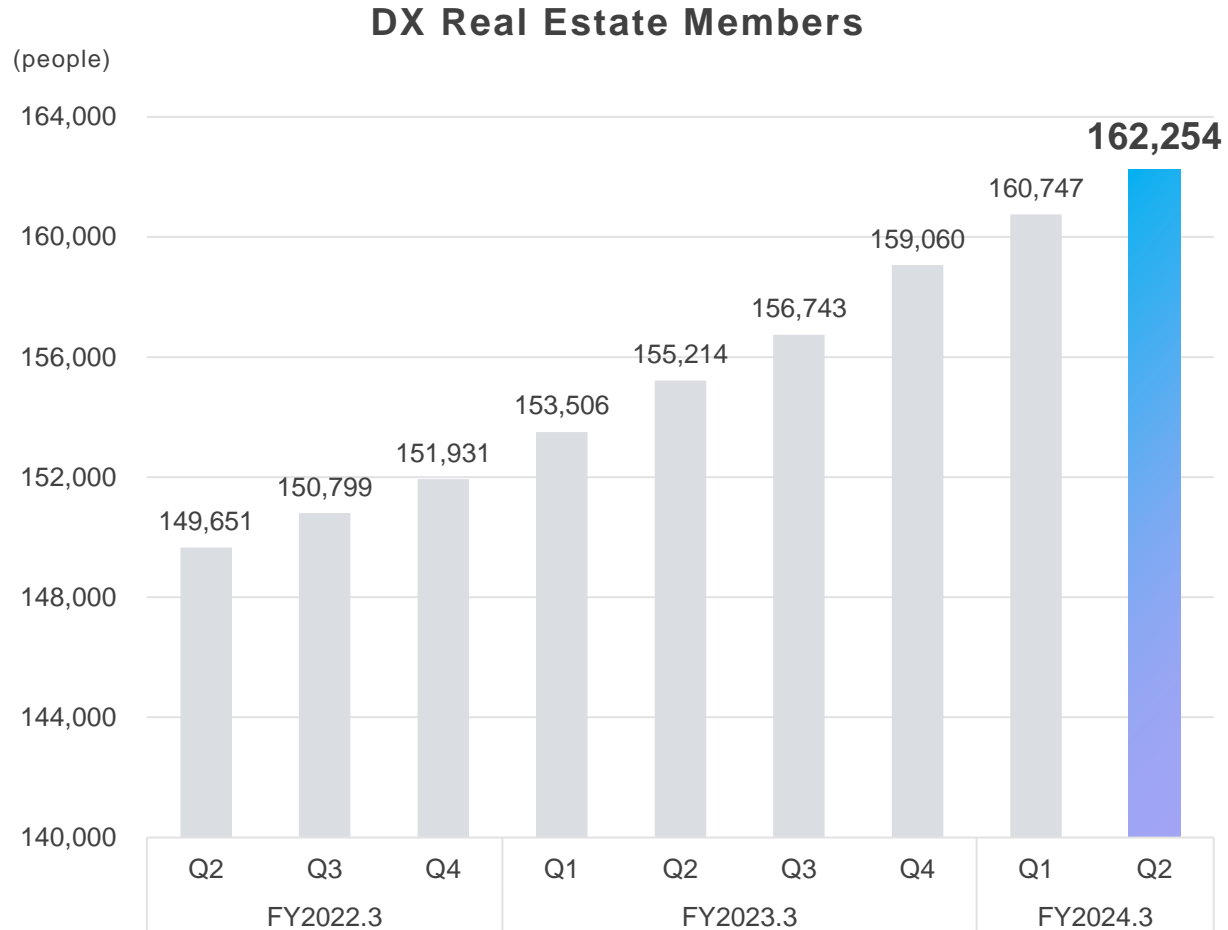DX Real Estate Members

162,254 persons
（YoY：+7,040 persons）

* As of September 30, 2023

MIGALO HOLDINGS
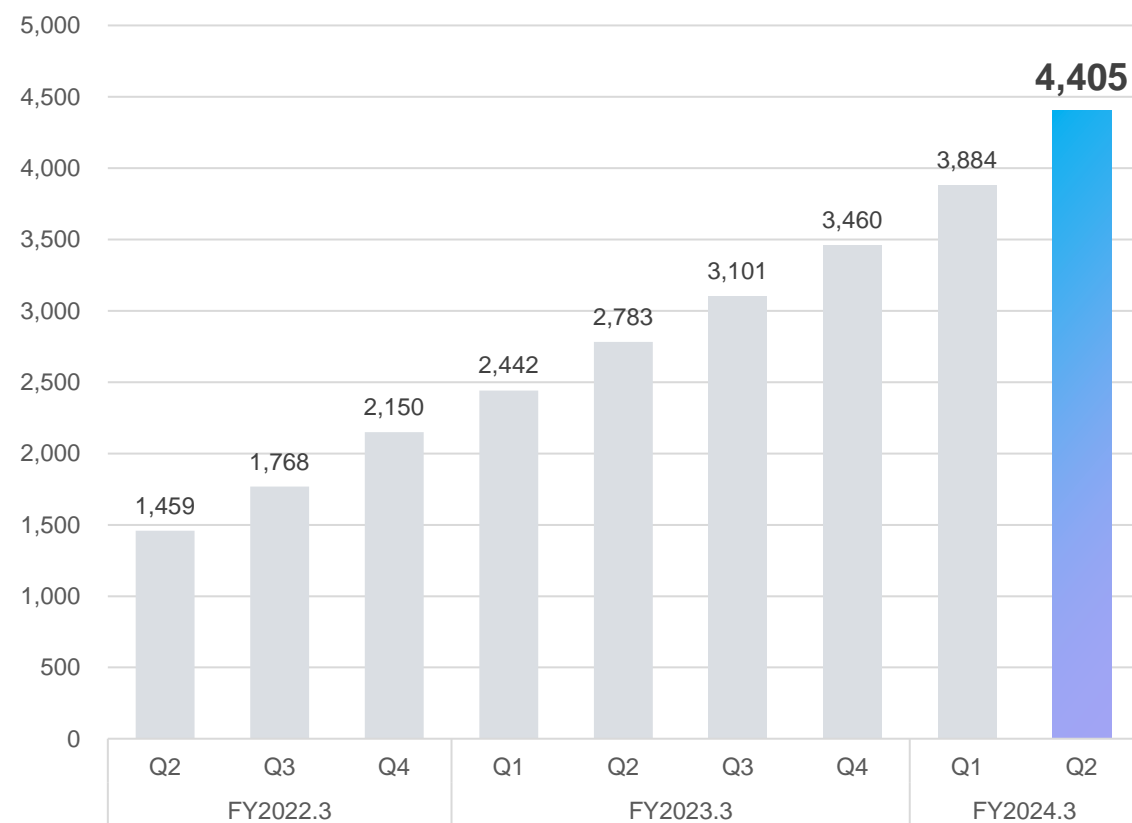
Stock-type circular ecosystem

Our business model is based on expanding the DX Real Estate business zone, a circular ecosystem, by increasing the number of DX real estate members, which is stock data.

DX Real Estate Members

(people)

- 149,651 — Q2 FY2022.3
- 150,799 — Q3 FY2022.3
- 151,931 — Q4 FY2022.3
- 153,506 — Q1 FY2023.3
- 155,214 — Q2 FY2023.3
- 156,743 — Q3 FY2023.3
- 159,060 — Q4 FY2023.3
- 160,747 — Q1 FY2024.3
- **162,254** — Q2 FY2024.3

Expand DX real estate business zone

Fee Lease revenue · Financing · Purchase/acquire · Development/sell · Logistics · DX real estate member

MIGALO HOLDINGS

KPI

Trend of the accumulated amount of Rimple's fund formation

(millions of yen)

Bar chart data:
- Q2 (FY2022.3): 1,459
- Q3 (FY2022.3): 1,768
- Q4 (FY2022.3): 2,150
- Q1 (FY2023.3): 2,442
- Q2 (FY2023.3): 2,783
- Q3 (FY2023.3): 3,101
- Q4 (FY2023.3): 3,460
- Q1 (FY2024.3): 3,884
- Q2 (FY2024.3): **4,405**

Trend of the number of sales contracts

(contracts)

Bar chart data:
- Q2 (FY2022.3): 185
- Q3 (FY2022.3): 196
- Q4 (FY2022.3): 203
- Q1 (FY2023.3): 194
- Q2 (FY2023.3): 230
- Q3 (FY2023.3): 229
- Q4 (FY2023.3): 333
- Q1 (FY2024.3): 270
- Q2 (FY2024.3): **255**
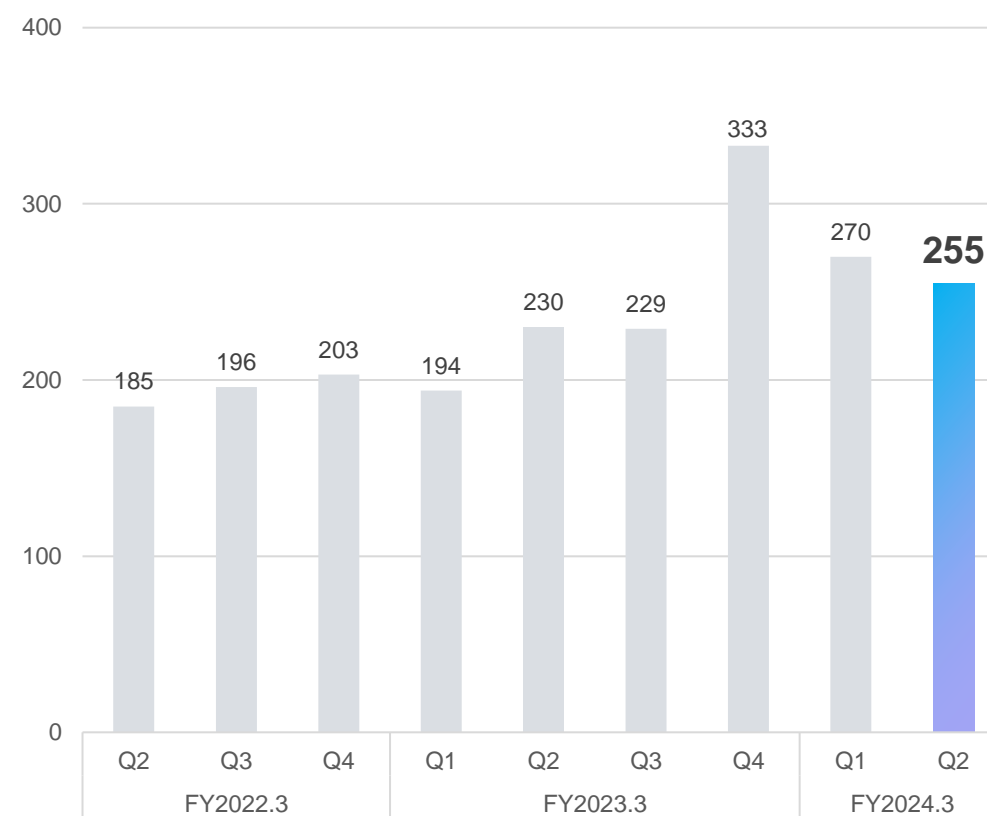
＊ The number of sales contracts is shown on a contract basis.

MIGALO HOLDINGS

Specialist in developing, selling, and managing compact condominiums with high asset value
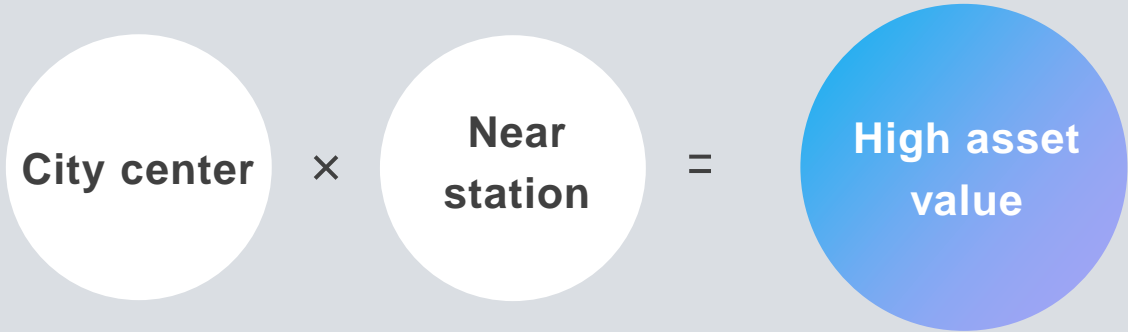
Asset management type real estate CRACIA series

Residential real estate VERSE CRACIA

Know-how acquired since the company's founding creates value.

City center × Near station = **High asset value**

Japan's first "all facial recognition condominium" that requires no keys

All facial recognition condominium

Offers pleasant condominium life with highly secure facial recognition-based entry function

| Common space | Facilities linked to common space | Residents-only space |

Entrance

・Unlock entrance using facial recognition
・Automatically call elevator

Parking lot

Unlock door using facial recognition

Parcel drop and mail box

If there is a parcel, indicates there is a parcel and automatic unlocks box using facial recognition

Elevator

・Safe unlocking with facial recognition
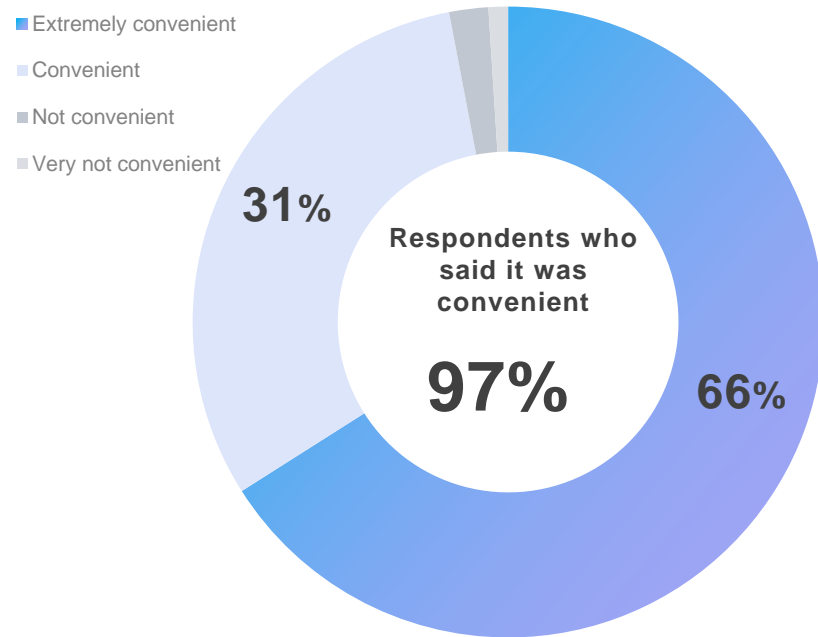・Automatically indicates and residence floor

Unit door

Automatic unlock using facial recognition

MIGALO HOLDINGS

Improve customer satisfaction with all facial recognition condominium

Is the facial recognition system more convenient than conventional key?

- Extremely convenient
- Convenient
- Not convenient
- Very not convenient

31%

Respondents who said it was convenient

97%

66%

Really convenient when your hands are full.

Can open door when carrying something.

Do residents want facial recognition entry control in their next residence?

- Extremely convenient
- Convenient
- Not convenient
- Very not convenient

36%

Respondents who said it was convenient

95%

59%
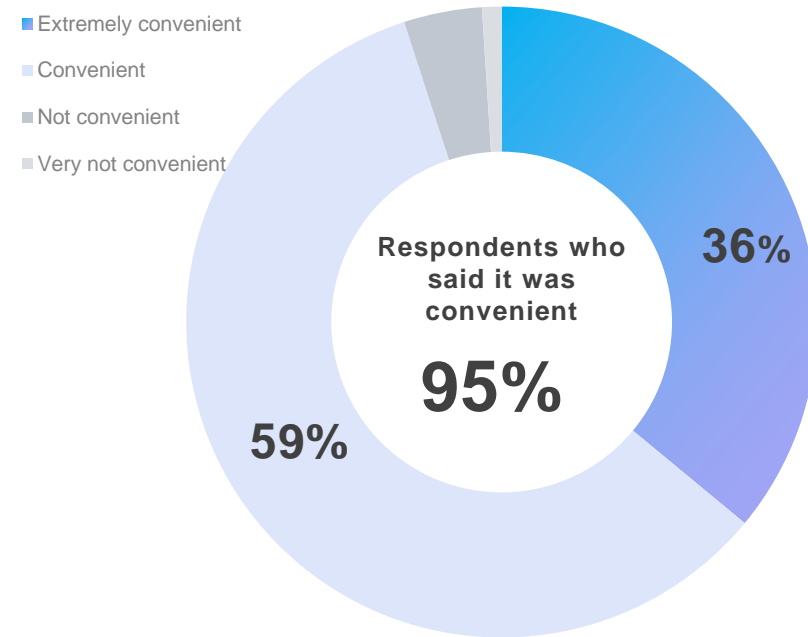
It is so convenient that I could not live in a residence without it.

I noticed that managing key is more troublesome than I thought is was.

MIGALO HOLDINGS

Focus on Tokyo's central area, 23 wards

Our properties

Other developer's properties

Saitama

Kanagawa

Chiba

Investment real estate

18.3 billion yen
(+5.1 billion yen YoY)

Condominiums: 559 units
Apartment complexes: 3

Residential real estate

4.0 billion yen
(+0.3 billion yen YoY)

Condominiums: 96 units
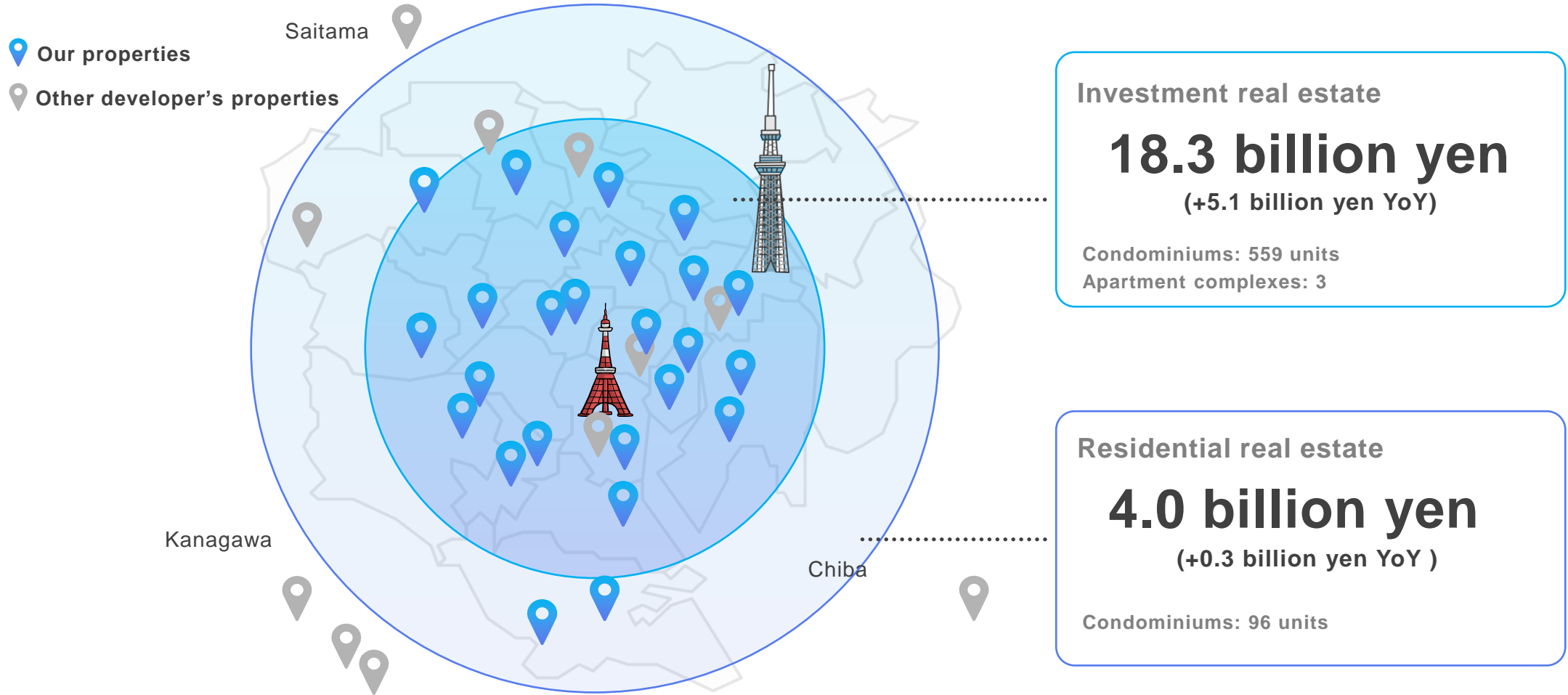
* As of September 30, 2023

Market size

There is still room to expand the business as the size of the potential market is about 58 times that of previous fiscal year's net sales, and we are working to expand our share through the development, sale, and management of real estate properties with the goal of net sales of 100.0 billion yen.

Size of our current business

Size of approachable market

SOM

For investment in greater Tokyo area Real estate market size

about 2.1 trillion yen

Previous fiscal year net sales

35.6 billion yen

SAM

Size of market for new and pre-owned condominiums in the greater Tokyo area

about

¥**10.1 trillion**

TAM

Domestic market size for real estate investment (leasing properties)
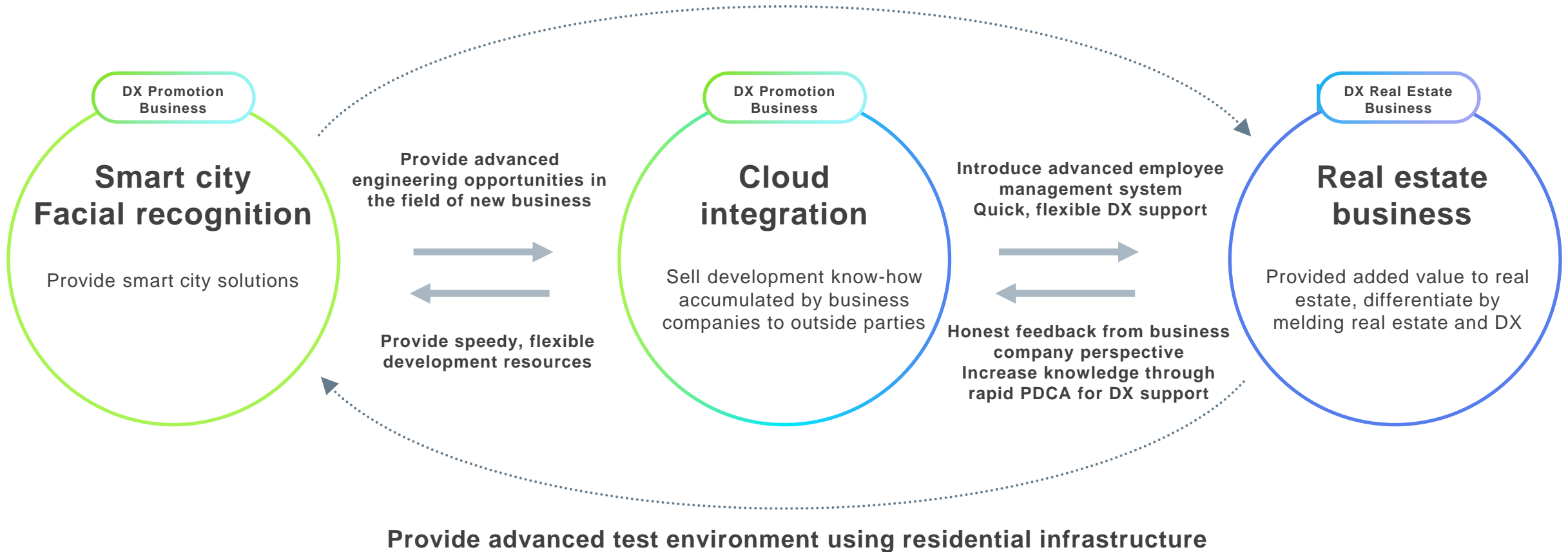
about

¥**77.1 trillion**

About 58 fold

Source: NLI Research Institute, Real Estate Market Report Japan real estate market size (18 July 2023)/   Calculated from Statistics Bureau of the Ministry of Internal Affairs and Communications: Survey of Service Industry Trends, May 2022 (preliminary). Real Estate Economic Institute Co. Ltd. Metropolitan investment condominium market trends. / Tokyo Kantei, Market trends for new and used condominiums (metropolitan area)

Synergies between the group's businesses

DX promotion business and DX real estate business form a business structure that makes it possible to generate synergies between the two businesses.

Provide extensive added value to properties, facial recognition system

DX Promotion Business

Smart city Facial recognition

Provide smart city solutions

Provide advanced engineering opportunities in the field of new business

Provide speedy, flexible development resources

DX Promotion Business

Cloud integration

Sell development know-how accumulated by business companies to outside parties

Introduce advanced employee management system Quick, flexible DX support

Honest feedback from business company perspective Increase knowledge through rapid PDCA for DX support

DX Real Estate Business

Real estate business

Provided added value to real estate, differentiate by melding real estate and DX

Provide advanced test environment using residential infrastructure

Medium- to long-term growth target

DX Real Estate Business

Provide value-added pre-owned condominiums for investment purposes

✕

DX Promotion Business

Expand facial recognition and cloud integration

100.0 billion yen

Promote DX real estate

Stable, sustainable business

Expand facial recognition and cloud integration

New and developed growth businesses

Become a pioneer in new value creation through DX promotion

MIGALO HOLDINGS

33

3. Consolidated Results Summary

Earnings highlights

- Net sales and operating profit increased significantly, 34.1% YoY and 16.8% YoY, respectively, due to an increase in orders for new projects in the DX Promotion Business and strong sales in the DX Real Estate Business.

- In the DX Promotion Business, the introduction of the face recognition platform by other companies expanded and orders for cloud integration services were also firm.

- DX Real Estate members topped 160,000.

- Increased number of units under management has led to an increase in recurring income.

Net sales	Operating profit
24,330 million	**2,292** million
（YoY +34.1%）	（YoY +16.8%）

DX Real Estate members	Number of units of sales of real estate
162,254 persons	**698** units
（YoY +7,040）	（YoY +210）

Units for rent under management	Units for the buildings under management	Number of active SI projects[1]
4,473 units	**4,868 units**	**203 projects**
（YoY +660）	（YoY +419）	（YoY +31）

*As of September 2023
(1) "Number of active SI projects" refers to the number of active DX support projects in the DX Promotion Business.

MIGALO HOLDINGS

Consolidated income statement for 1H FY3/2024

(Millions of yen)	FY2023.3/1H	FY2024.3/1H	Change	Chenge(%)
Net sales	18,149	24,330	+6,181	+34.1%
Operating profit	1,963	2,292	+329	+16.8%
Ordinary profit	1,815	2,067	+252	+13.9%
Profit attributable to owners of parent	1,165	1,352	+186	+16.0%

MIGALO HOLDINGS

Results by segment for 1H FY3/2024

- Net sales for the DX Promotion Business rose because of an increase in new orders, but an operating loss was recorded on account of upfront investments for growth.

- Both net sales and operating profit for the DX Real Estate business increased on account of the large number of new property deliveries and sales of pre-owned units.

Segment PL

(Millions of yen)	FY2023.3/1H	FY2024.3/1H	Change	Chenge(%)
Net sales	18,149	**24,330**	+6,181	+34.1%
DX Promotion Business	743	**1,160**	+416	+56.1%
DX Real Estate Business	17,492	**23,209**	+5,716	+32.7%
Adjustments	-86	**-38**	+48	-55.7%
Operating profit	1,963	**2,292**	+329	+16.8%
DX Promotion Business	45	**-64**	-110	-241.6%
DX Real Estate Business	2,541	**3,066**	+524	+20.7%
Adjustments	-624	**-709**	-85	+13.7%

B/S highlights, 1H FY3/2024

- While land for development was steadily acquired, the inventory of properties for sale fell because of the concentration of new property deliveries.

- Interest-bearing debt fell and cash rose because funds from sales were collected, and equity ratio rose.

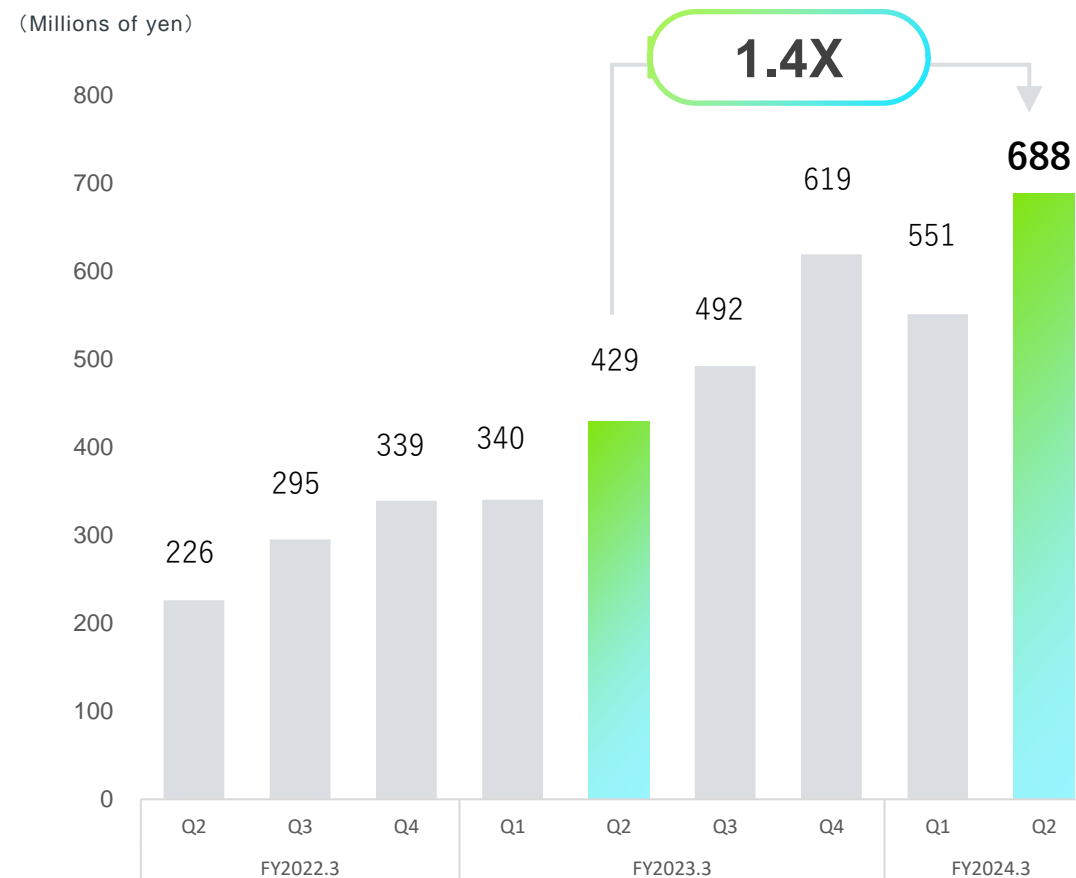| (Millions of yen)	FY2023.3	FY2024.3/1H	Change	Change(%)
Total assets	43,441	43,458	+16	+0.0%
Cash and deposits	6,819	7,917	+1,098	+16.1%
Inventories	33,828	32,952	-875	-2.6%
Interest-bearing liabilities	28,805	27,422	-1,382	-4.8%
Net assets	9,572	10,717	+1,145	+12.0%

DX Promotion Business

- Net sales significantly rose 56.1% YoY, surpassing 1.1 billion yen, because of an increase in new customers and orders.

- An operating loss was recorded for some reasons, including upfront investment in human resources and hiring of new college graduates.

DX Promotion Business Segment Total

(Millions of yen)	FY2023.3/1H	FY2024.3/1H	Change	Change(%)
Net sales	743	**1,160**	+416	+56.1%
Segment profit	45	**-64**	-110	-

Quarterly Net Sales

（Millions of yen）

1.4X

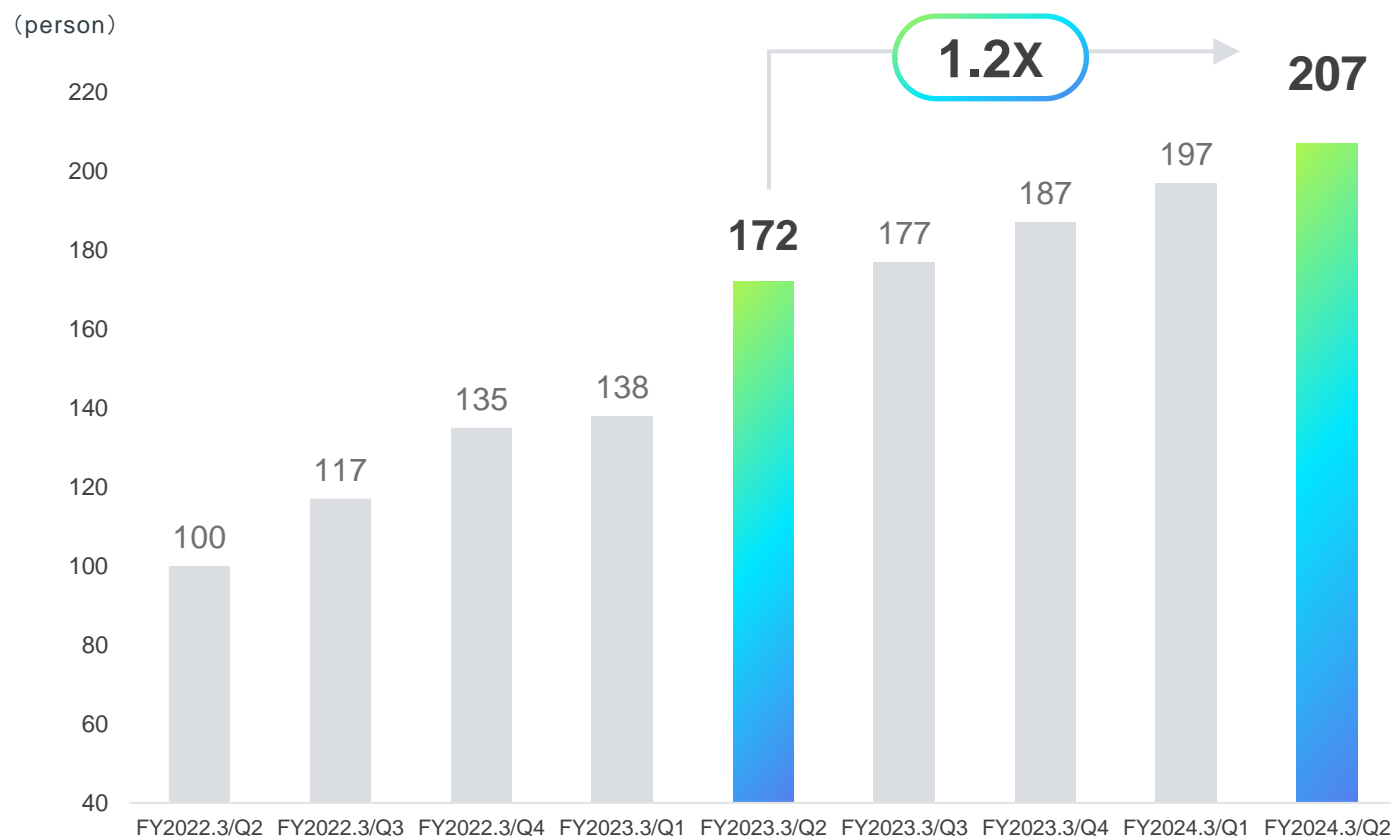|	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
	226	295	339	340	429	492	619	551	688
	FY2022.3			FY2023.3				FY2024.3	

* Differs from total segment net sales because non-consolidated total is before offsetting internal business for consolidated earnings.
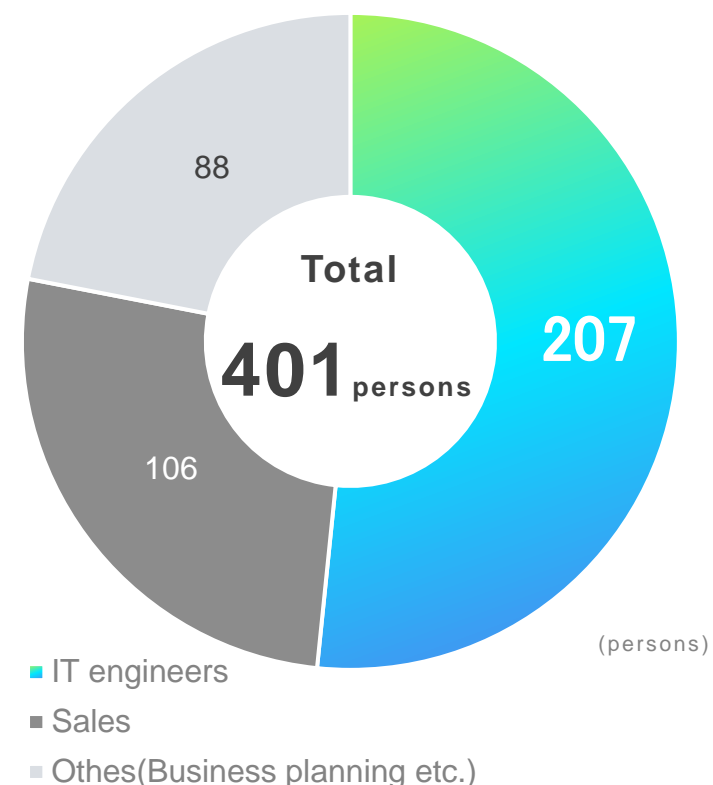
MIGALO HOLDINGS

Composition of tech personnel > IT workforce supporting DX

- The number of IT personnel promoting the Group's DX, such as engineers, reached 207, and thus account for more than half of the Group's employees.

- The increase in IT personnel is the driving force of the growth in the Group's DX business, and our strengths to sustain IT development capabilities.

Increase in the number of IT personnel to support DX

（person）

1.2X → **207**

Period	Value
FY2022.3/Q2	100
FY2022.3/Q3	117
FY2022.3/Q4	135
FY2023.3/Q1	138
FY2023.3/Q2	172
FY2023.3/Q3	177
FY2023.3/Q4	187
FY2024.3/Q1	197
FY2024.3/Q2	207

Group-wide job composition

Total **401** persons

- 207
- 106
- 88

(persons)

- ■ IT engineers
- ■ Sales
- ■ Othes(Business planning etc.)

MIGALO HOLDINGS

DX Real Estate Business

- Net sales rose a substantial 32.7% YoY as a result of the concentrated delivery of new properties and firm sales of pre-owned units.

- Operating profit rose and profit margin was as projected despite an increase in the cost of sales because it was possible to pass on price increases to a certain extent and cut SG&A expenses as the weight of pre-owned units, which brought a relatively low-profit margin, increased.
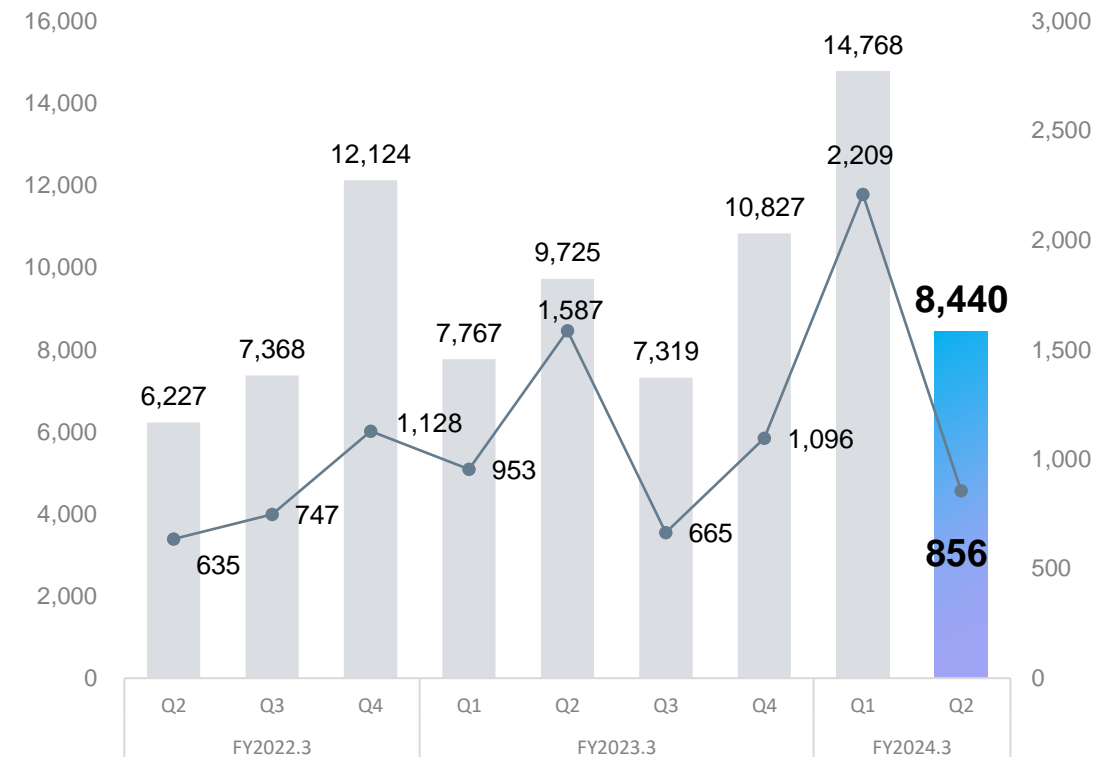
DX Real Estate Business Segment Total

(Millions of yen)	FY2023.3/1H	FY2024.3/1H	Change	Change(%)
Net sales	17,492	**23,209**	+5,716	+32.7%
Segment profit	2,541	**3,066**	+524	+20.7%

Quarterly Net Sales and Segment Profit

（Unit:Millions of yen）   Net sales ● Segment profit   （Unit:Millions of yen）

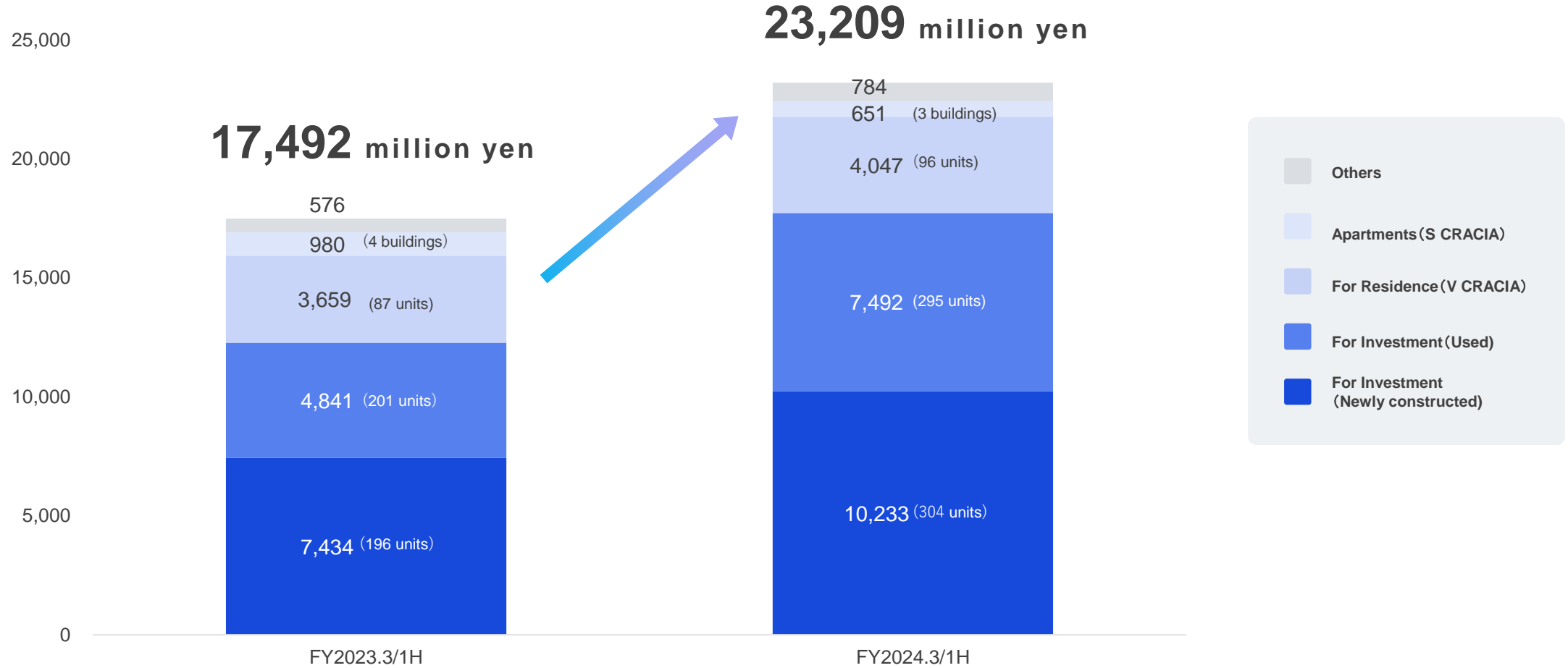|	FY2022.3			FY2023.3				FY2024.3	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Net sales	6,227	7,368	12,124	7,767	9,725	7,319	10,827	14,768	**8,440**
Segment profit	635	747	1,128	953	1,587	665	1,096	2,209	**856**

MIGALO HOLDINGS

Breakdown of segment sales

**Breakdown of net sales and the number of units sold of
Real Estate Development and Sale Business and Smart Second Business, etc.**

(Millions of yen)

23,209 million yen

17,492 million yen

FY2023.3/1H
- 576
- 980 (4 buildings)
- 3,659 (87 units)
- 4,841 (201 units)
- 7,434 (196 units)

FY2024.3/1H
- 784
- 651 (3 buildings)
- 4,047 (96 units)
- 7,492 (295 units)
- 10,233 (304 units)

Legend:
- Others
- Apartments（S CRACIA）
- For Residence（V CRACIA）
- For Investment（Used）
- For Investment (Newly constructed)
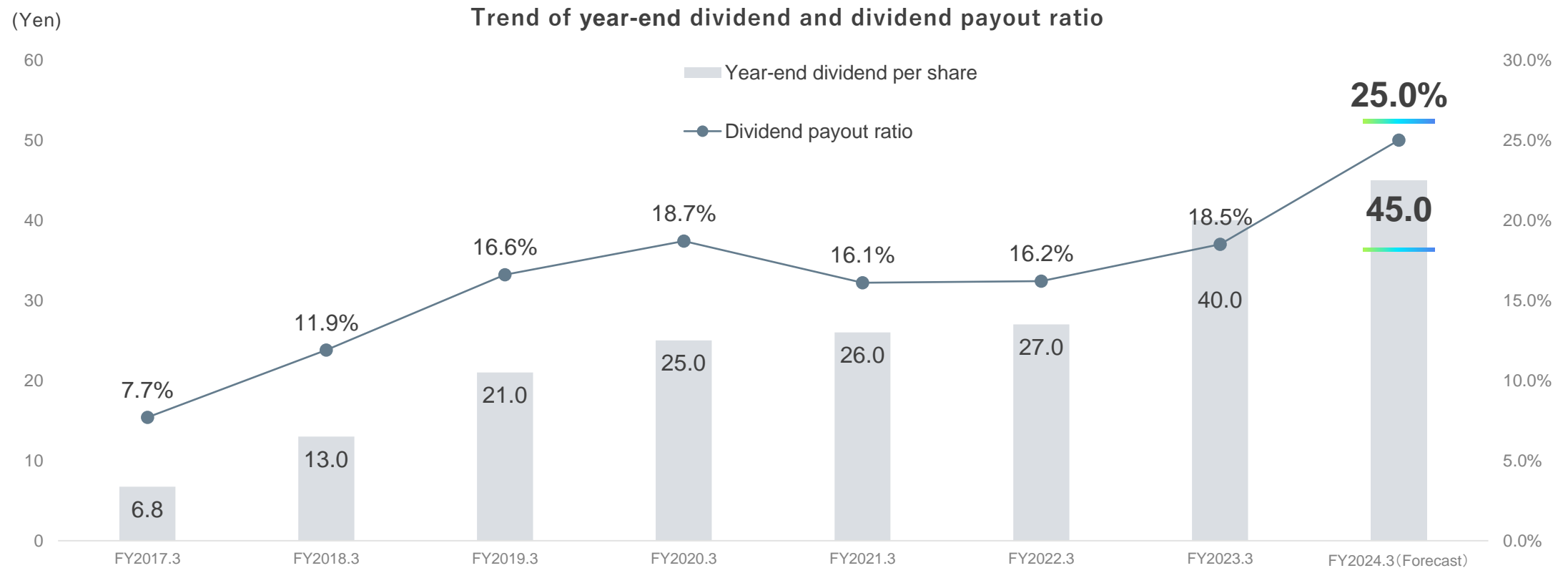
MIGALO HOLDINGS

4. FY3/2024 Annual Forecast

Progress toward earnings forecasts for FY2024/3

- During 1H, we achieved 60% of the FY net sales forecasts because of the concentration of deliveries of new properties, which boast a high gross profit margin, and strong progress was made toward profit forecasts due to the light fixed cost burden.

- However, our FY forecast remains unchanged because of a 2H increase in sales of pre-owned units, which have a relatively low profit margin, and expected upfront investments in the DX Promotion Business and M&As.

(Millions of yen)	Forecast of consolidated financial results for the year ending March 31, 2024	FY2024.3/1H	Change%
Net Sales	**42,000**	24,330	57.9%
Operating profit	**2,500**	2,292	91.7%
Ordinary profit	**2,120**	2,067	97.5%
Profit attributable to owners of parent	**1,310**	1,352	103.2%

Shareholder Return

- The year-end dividend for the fiscal year ending March 31, 2024, is planned to be 45.0 yen per share, including a commemorative dividend of 5 yen per share to celebrate the 20th anniversary of our incorporation.

- We plan to buy back treasury shares flexibly, considering the financial position, business performance, stock price, and other factors comprehensively.

Trend of year-end dividend and dividend payout ratio

(Yen)

Legend:
- Year-end dividend per share
- Dividend payout ratio

FY	Year-end dividend per share	Dividend payout ratio
FY2017.3	6.8	7.7%
FY2018.3	13.0	11.9%
FY2019.3	21.0	16.6%
FY2020.3	25.0	18.7%
FY2021.3	26.0	16.1%
FY2022.3	27.0	16.2%
FY2023.3	40.0	18.5%
FY2024.3（Forecast）	**45.0**	**25.0%**

MIGALO HOLDINGS

5. 1H FY3/2024 Topics

Smart lock DX (functional update)

➢ **Launched a system that links OPELO smart lock with the facial recognition platform FreeiD**

- In addition to conventional methods to open smart locks, such as using smartphone, IC card, or password, we added facial recognition system FreeiD, which makes the process completely hands free.

- Therefore, apartment complex management companies and residents can select the most appropriate method to unlock doors for the particular situation.

Three benefits provided by the release

Benefit 1

What if locked out of home when there is a power outage?

There were concerns about being locked out in the case of a power outage because the conventional FreeiD employs electrical locks, but OPELO eliminates this concern as a battery is used as emergency power source.

Benefit 2

Stress free because not affected by network problems

Doors are unlocked in 0.2 seconds even in the case of network problems because FreeiD offers facial recognition with edge-based recognition. FreeiD and OPELO offer stable, and worry-free door opening because it is wired.

Benefit 3

Safer and greater peace of mind as facial recognition was added as way to unlock doors

Adding facial recognition to unlock doors ensures security beyond that of only smart locks because of personal information security countermeasures, such as limiting access to data resources.

Sports event DX

Summary of release

➢ **Started to provide facial recognition for entry at Table Tennis T League Shizuoka JADE.**

➢ **Introduced 2023-2024 season annual pass and facial pass entry services for members**

Facial recognition entry service will start to be provided to men's Shizuoka JADE, a team in Japan's top table tennis league T League based in the Chusankan area of northern Shizuoka City, from this season.

SHIZUOKA JADE × DXYZ FreeiD

Flow

Purchase annual pass
Purchase annual pass from Mingles

Register to use facial recognition
Apply to use and register facial data from FreeiD app.

Facial pass venue
Easily enter the venue without ticket

Future outlook

In addition to annual pass, provide facial recognition-based payment service and examine expansion through tie-up with ticket system

Link FreeiD with information for other companies' payment services

Facial recognition when entering store

Select items and go to register

Make purchases using facial recognition

MIGALO HOLDINGS

48

Parcel Drop Box DX

Summary of release

➢ **The DX of Fulltime Locker, which uses FreeiD, provides residents living that offers greater freedom with "hands free."**

Full Time System FTS フルタイムシステム ✕ DXYZ FreeiD

- Parcel drop boxes provided by Fulltime System through this tie-up (Fulltime Locker) incorporates the FreeiD facial recognition system.

- Residents can collect parcels delivered to the box hands-fee and request parcel pick-up.

Greater convenience with Fulltime locker and all facial recognition condominiums

Parcel box　　　　　**Automatic door**　　　　　**Unit door**

Get parcel from parcel drop box　　**Pass through entrance door, etc.**　　**Facial recognition for home, too**

From entering the condominium complex to entering one's unit is **all "hands-free"**

Condominium Life DX

➢ **Pursuing better living**
Marimo has decided to introduce this into all its future condominiums

あたらしい、あたりまえを。 **marimo** ✕ **DXYZ** FreeiD

- There are plans to introduce FreeiD common entrance, garbage disposal area, and parcel drop box at all new properties developed by Marimo in 44 prefectures throughout Japan.

- This makes it possible to unlock things even when one's hands are full, eliminates the need to enter a passcode to unlock parcel drop boxes and easily collect one's parcels.

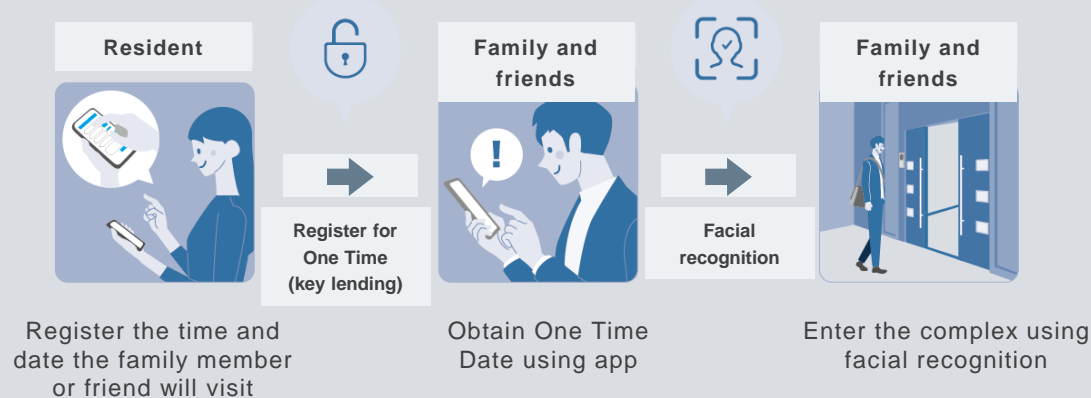**Locations where the system has been introduced**

Common entrance   Garage disposal area   Parcel drop box

Resident	Family and friends	Family and friends

Register for One Time (key lending)

Facial recognition

Register the time and date the family member or friend will visit

Obtain One Time Date using app

Enter the complex using facial recognition

One Time, safe and smooth key lending

- If residents want to ask a family member or friend who does not have a key to care for someone or do some urgent shopping, the family memer or friend can enter the building with the One Time function, which offers limited time facial recognition entry.
- This allows residents to safely provide a "key" with peace of mind via the cloud without having to provide a physical key when there are sudden changes in plans.

MIGALO HOLDINGS

Detached house Home Security DX

Summary of release

➢ **Accelerate business expansion in the field of detached houses and concluded an operation tie-up with CaNowHome**

- Leveraging the extensive customer network of CaNowHome and our experience with introducing FreeiD, mainly in condominiums, we concluded a store sales agreement and launched an operational tie-up to expand the business in to the field of detached houses.

- Completed introduction at two houses in Toyota City, Aichi, and plan to introduce in more in the future.

Summary of release

➢ **Verification test in Kameoka City, Kyoto**
No need to check one's identity because reception is done using facial recognition

- After confirmating one residence in Kameoka City in advance, participants can complete resident entry procedures using hands-free facial recognition at children-related facilities.

- It is expected that this will verify the convenience of facial recognition as an alternative method to confirm identity and functions that can be developed for various situations.

Kameoka City, Kyoto ✕ **DXYZ FreeiD**

1 Confirm identity at the Childcare Support Section counter

Invited to use FreeID services after confirming identity at the Childcare Support Section counter at Kameoka City Office.

2 Register facial information on FreeiD app

Register facial information of family members using a single smartphone

Register the face of family members using the FreeiD app of one member of the household

3 Facial recognition reception at facility counter

For both adults and children Facial recognition reception

No need to check one's identity because reception uses facial recognition

● **Facilities where the system is available**

KIRInoKO at Sanga Stadium by Kyocera
Kamemaru Land, a children's play facility in Gallery Kameoka

* For the verification test using both KIRInoKO and Kamemaru Land, the desired number of 50 households have been signed up.
* The verification test for Kamemaru Land only is still accepting participants. If you would like to participate, complete the procedures at the at the Childcare Support Section counter at Kameoka City Office.

● **Implementation period**

Expected October 11–December 31, 2023

* This may change as end date of the verification date is tentative.

Existing condominium DX

Summary of release

Ober Sanno ✕ **DXYZ** **FreeiD**

➤ **Tie-up with Ober Sanno, the first existing condominium in Japan to introduce FreeiD**

- Oberu Sanno, a small three-floor condominium complex of ten units located in 4 chome, Sanno, Ota-ku, Tokyo, was built in October 1992. By actively introducing the latest ICT technology, the complex offers safety and peace of mind to all residents, provides stress-free, highly convenient living, and increases the asset value of the property.

- As a first step to becoming an all facial recognition condominium complex, FreeiD was introduced at the entrance, and by linking this to the automatic locking door, the facility offers hands-free entry using facial recognition.

Entrance photo

Future initiatives to expand all facial recognition

Completed

At entrance

Eliminates concerns about losing keys because there is no need for them making it all hands free.

Plan to introduce

At parcel drop box

Pick up parcels as the service was added to parcel drop boxes. Completely hands free.

Plan to introduce

No need for key at the entrance to each unit

From elevator to various units are all hands free.

Completely hands free.

No need for keys

Aim to become all facial recognition condominium

SDGs initiatives

Environmental initiatives

- **Go paperless through DX promotion**
  Reduced paper documents more than 90% by using WEB business discussions, digital contracts and digitizing various documents.

- **Introduce "office casual" clothing option all year long**
  As one measure to combat global warming and reduce energy use, we permit workers to wear office casual in order to continually save electricity.

Quality initiatives

- **Improve productivity**
  We have built mechanisms for anyone to learn by compiling past case data into a "task base" and turning that into a tool.

- Quality management during development
  We conduct periodic meetings and confirm progres and quality.

Social initiatives
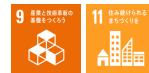
- **Create smart cities**
  We offer hands-free entry, payments, identity confirmation, transportation use, and point use through the development and operation of the facial recognition platform FreeiD.

- **Great productivity in Japan through DX promotion**
  We tackle the problems faced by companies and society, provide digital solutions based on cutting-edge technology, and aim to improve productivity in Japan.

Employment initiatives

- **Employee engagement and work-life balance**
  Support the career development of employees by creating our own training curriculum and offering seminar and employee awards.
  Provide an environment in which employees can make contributions in the long term through such systems as leaves and reduced-hour work that make it possible for employees to balance family and work.

- **Balance health and work and establish an independent consultation desk**
  We support the mental and physical health of employees through healthcare cost subsidy system, regular health exams, and influenza vaccines.

Response to growth in EV demand

Summary of release

➢ **Installed EV charging service Terra Charge for residents**

- A total of 26 3kW normal charging stations (as of October 26, 2023) have been installed at the parking lots of nine condominium complexes developed by Property Agent.

- The charging stations are Terra Charge, an EV charging service provided by Terra Motors. With an eye on future growth in demand for EV, we have standardized specification of our wire and duct installation and will tackle this issue and move forward with installing EV charging services to realize a carbon neutral society by 2050.

CRACIA Itabashi Honcho parking lot

Disclaimer regarding forward-looking statements

Materials and information provided included in this presentation may contain so-called "forward-looking statements." These statements are based on current expectations, forecasts and assumptions that are subject to risks and uncertainties that could cause actual outcomes and results to differ materially from these statements.

Risks and uncertainties include general industry and market conditions, and general domestic and international economic conditions such as interest rate and currency exchange fluctuations.

We assumes no obligation to update or revise forward-looking statements included in this presentation material to reflect new information and events in the future.