



MIGALO
HOLDINGS

Financial Results for Q1 Fiscal Year Ending March 31, 2026

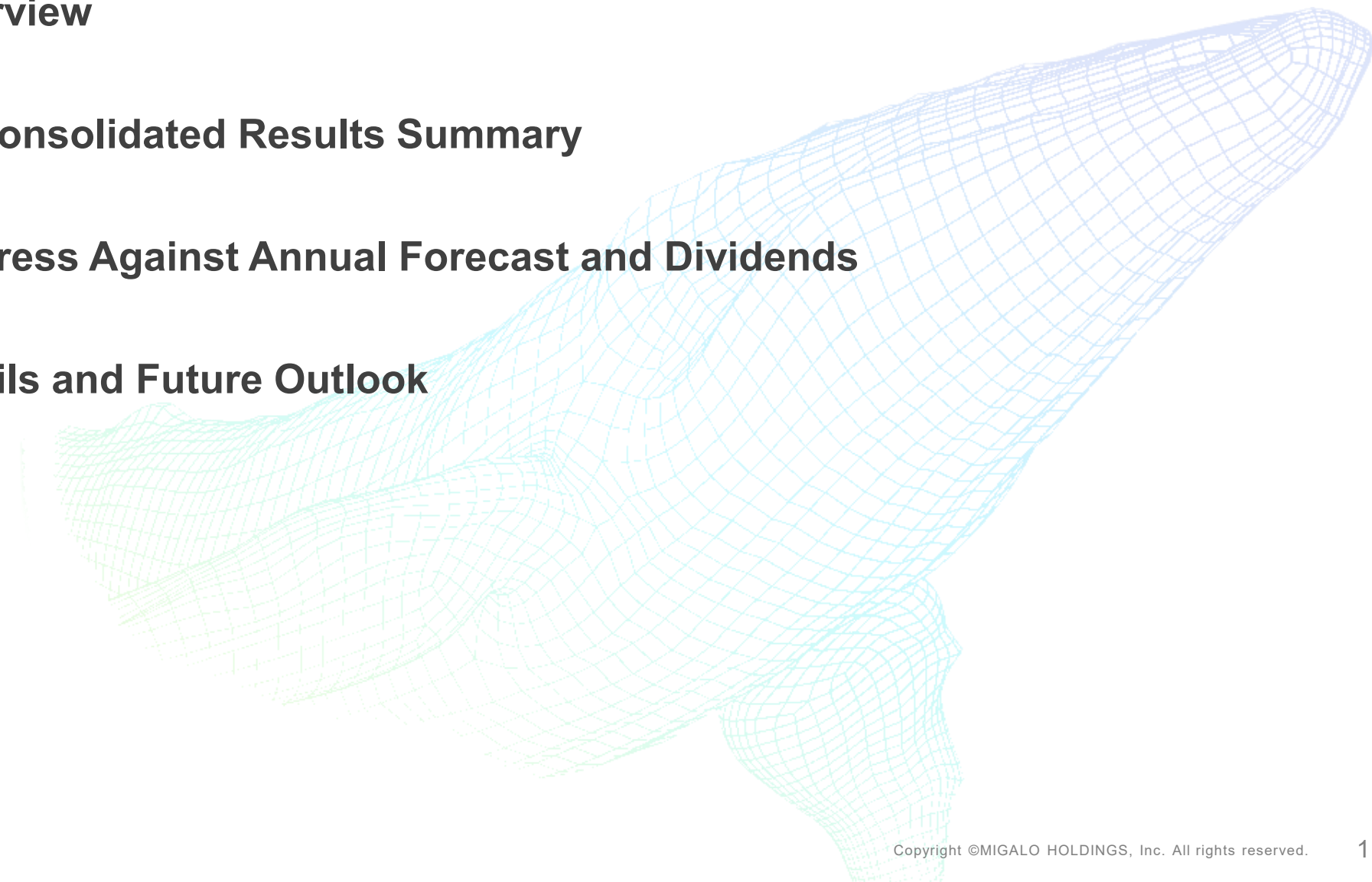
MIGALO HOLDINGS, Inc.

Securities Code: 5535

August 7, 2025

President and Representative Director Sei Nakanishi

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1. Company Profile

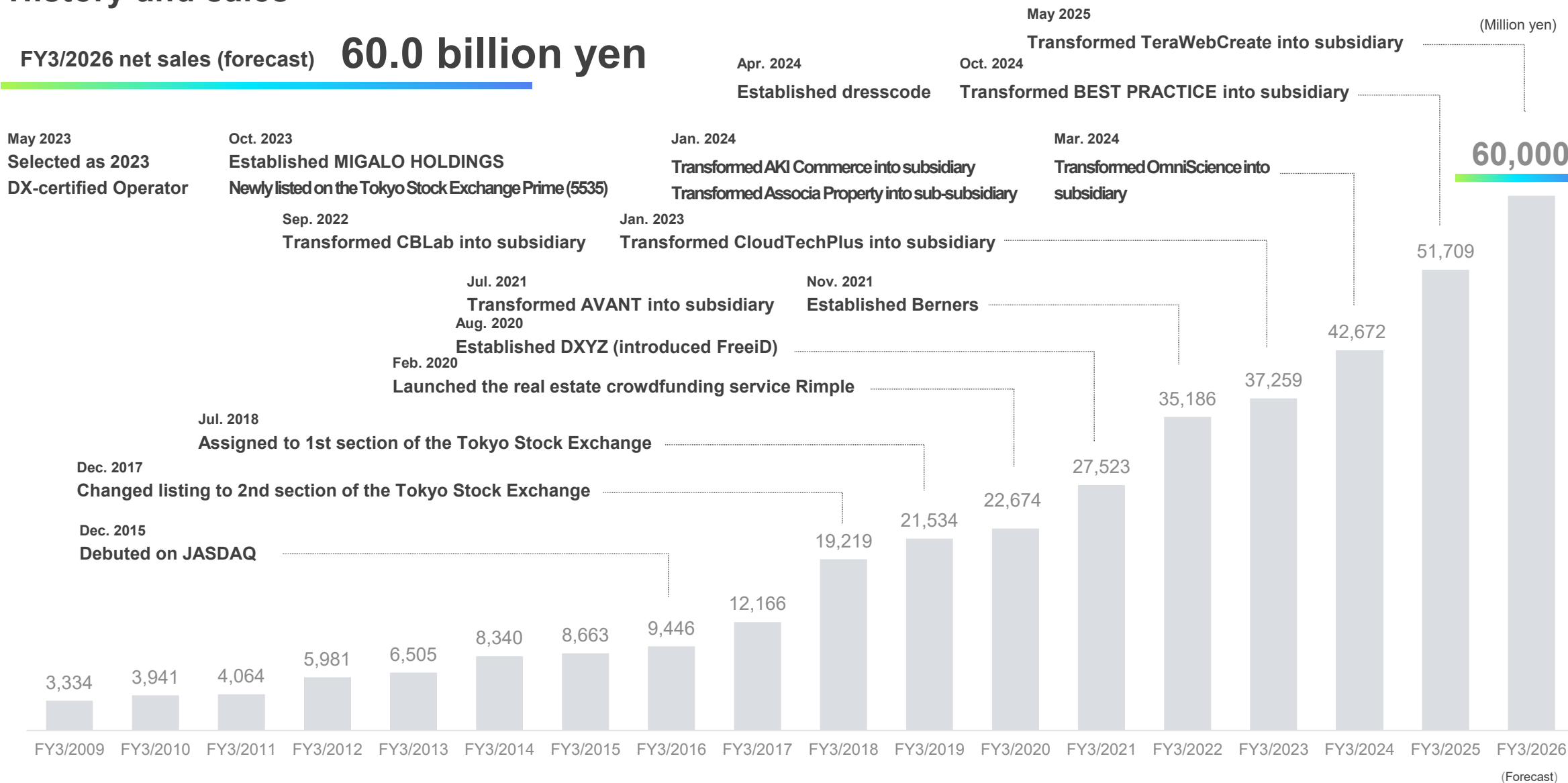
Company overview

Company name	MIGALO HOLDINGS Inc.
Headquarters	41F Shinjuku I-Land Tower, 6-5-1 Nishi-shinjuku, Shinjuku-Ku, Tokyo, Japan
Representative	Sei Nakanishi, President and Representative Director
Incorporation date	October 2, 2023
Share capital	80 million yen
Employees	540 (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 Companies	DX Promotion Business: DXYZ Inc. / AVANT Corporation / Berners Inc. / CBLab. Inc. / CloudTechPlus Co.Ltd / OmniScience Co.,Ltd. / dresscode Inc. / BEST PRACTICE Inc. / TeraWebCreate, Inc. DX Real Estate Business: PROPERTYAGENT, Inc. / AKI Commerce Co., Ltd. / Associa Property Co., Ltd.

(As of June 30, 2025)

History and sales

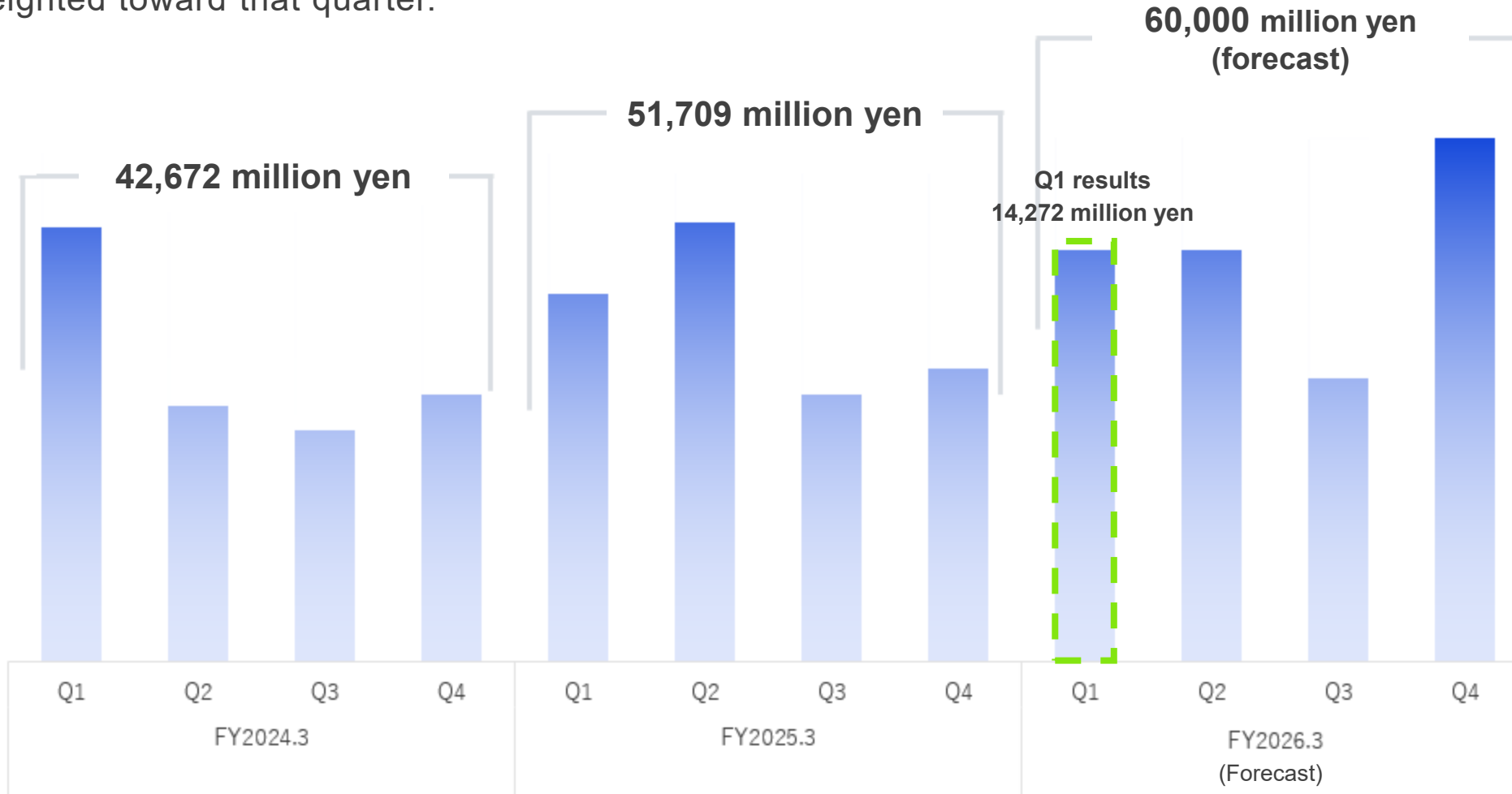
FY3/2026 net sales (forecast) **60.0 billion yen**



2. FY3/2026 Q1 Consolidated Results Summary

FY3/2026 Q1 earnings highlights (1)

- Q1 net sales are progressing as expected for all businesses, and has increased compared to the previous year.
- Because deliveries of new properties are scheduled to be concentrated in Q4, net sales are expected to be most heavily weighted toward that quarter.



FY3/2026 Q1 earnings highlights (2)

Net sales

14,272 million yen

(YoY +4.4%)

Operating profit

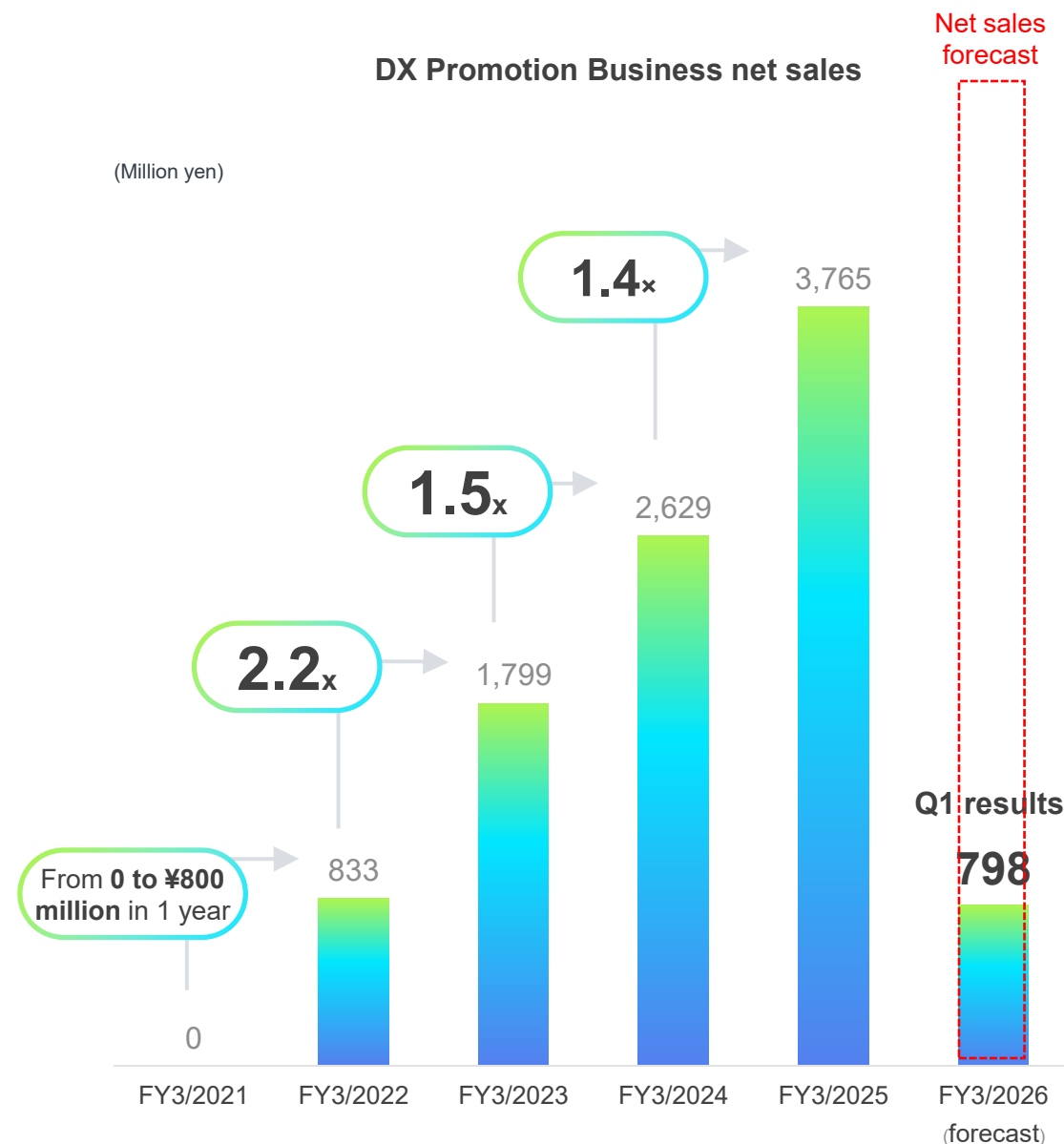
975 million yen

(YoY +23.1%)

- Net sales has increased by 4.4% YoY because there was a larger number of deliveries of new properties for investment in the DX Real Estate Business than in the same period of the previous year, the unit sale price of pre-owned units is increasing, the number of companies introducing the facial recognition ID platform has steadily increased in the DX Promotion Business, and we have reliably increased the number of cloud integration projects.
- Operating profit has increased by 23.1% to 975 million yen YoY due to the effect of increased revenue in the DX Real Estate Business and improved profitability in the DX Promotion Business.

DX Promotion Business net sales

(Million yen)



FY3/2026 Q1 earnings highlights (3)

- The number of condominiums where FreeiD has been introduced increased significantly from 99 in the previous fiscal year to 228.
- The number of DX Real Estate members steadily increased and MIGALO Group's DX real estate economic zone has steadily expanded.
- The number of real estate units sold (units delivered) remains at around the same level as last year.

DX Real Estate members⁽¹⁾

186,440 persons

(+6,645 persons YoY)

Number of real estate units sold

359 units

(-24 units YoY)

Number of condominium buildings with FreeiD

228 buildings

(+129 buildings YoY)

Units for rent under management

6,692 units

(+788 units YoY)

Number of buildings under management

5,773 units

(+510 units YoY)

Number of active SI projects⁽²⁾

297 projects

(+10 projects YoY)

*As of June 30, 2026

(1) From FY3/2025 Q1, the number of DX real estate member has been adjusted retroactively due to a change in the calculation method.

(2) The number of active SI projects refers to the number of active DX-supported projects in the DX Promotion Business.

Consolidated statement of income for FY3/2026 Q1

- Revenue increased compared to the same period of the previous year for both the DX Real Estate Business and DX Promotion Business, and revenue and profit increased compared to the same period of the previous year for both net sales and at all levels of profit.
- DX real estate profitability was particularly high, which resulted in significant growth in all levels of profit compared to the growth in net sales.

(Millions of yen)	FY3/2025 Q1	FY3/2026 Q1	YoY	YoY (%)
Net sales	13,671	14,272	+600	+4.4%
Operating profit	792	975	+183	+23.1%
Ordinary profit	668	781	+112	+16.9%
Profit attributable to owners of parent	360	499	+139	+38.8%

Results by segment for FY3/2026 Q1

- Although revenue increased in the DX Promotion Business due to the increase in new orders, results remained at around the same level as last year due to the recording of M&A costs and upfront investments in human resources, etc.
- The increase in profitability of the DX Real Estate Business had a positive effect that resulted in boosting the performance of the entire company.

(Millions of yen)	FY3/2025 Q1	FY3/2026 Q1	YoY	YoY (%)
Net sales	13,671	14,272	+600	+4.4%
DX Promotion Business	783	798	+14	+1.9%
DX Real Estate Business	12,915	13,505	+590	+4.6%
Adjustments	(27)	(31)	(4)	-
Operating profit	792	975	+183	+23.1%
DX Promotion Business	(72)	(83)	(10)	-
DX Real Estate Business	1,095	1,325	+230	+21.0%
Adjustments	(230)	(267)	(37)	

DX Promotion Business

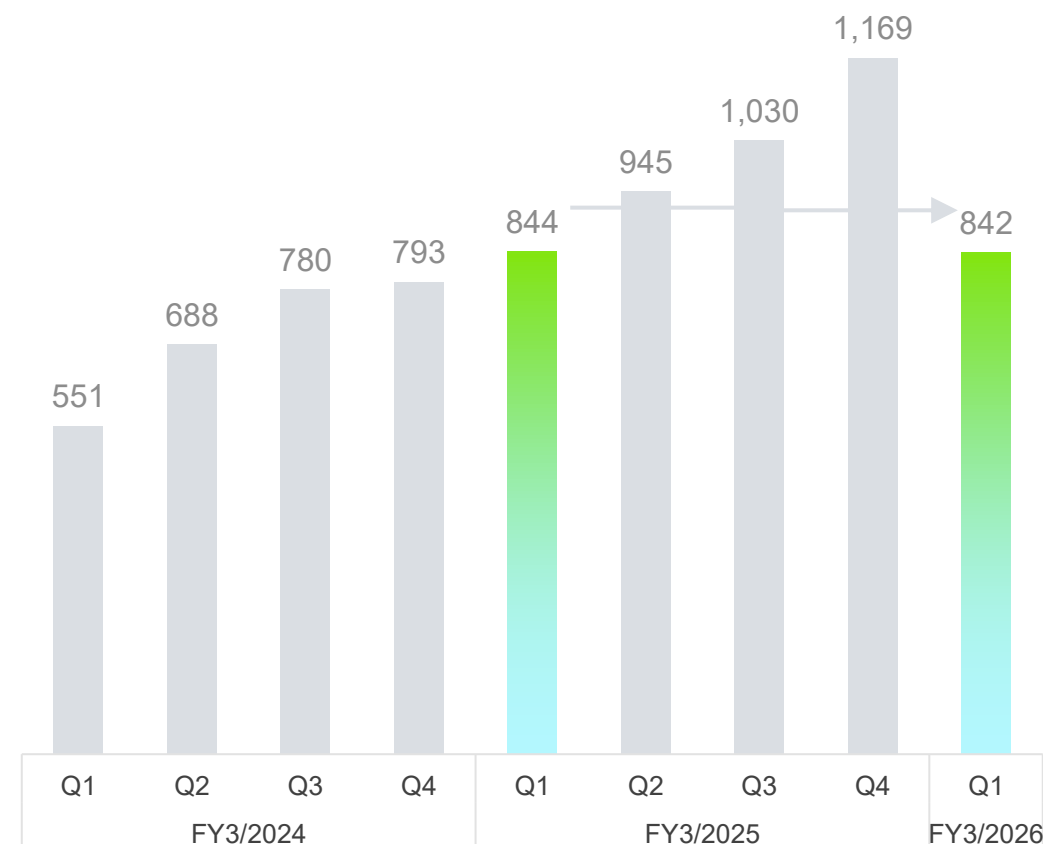
DX Promotion
Business

- Net sales increased due to the increased adoption of FreeiD, the facial recognition ID platform and the increase in orders driven by factors such as synergies within the Group, including cloud integration.
- Although recruitment, M&A, and other upfront investments led to an operating loss, operating loss remained at around the same level as last year as was expected.

(Million yen)

DX Promotion Business quarterly net sales

DX Promotion Business segment total				
(Millions of yen)	FY3/2025 Q1	FY3/2026 Q1	YoY	YoY (%)
Net sales	783	798	+14	+1.9%
Segment profit	(72)	(83)	(10)	-



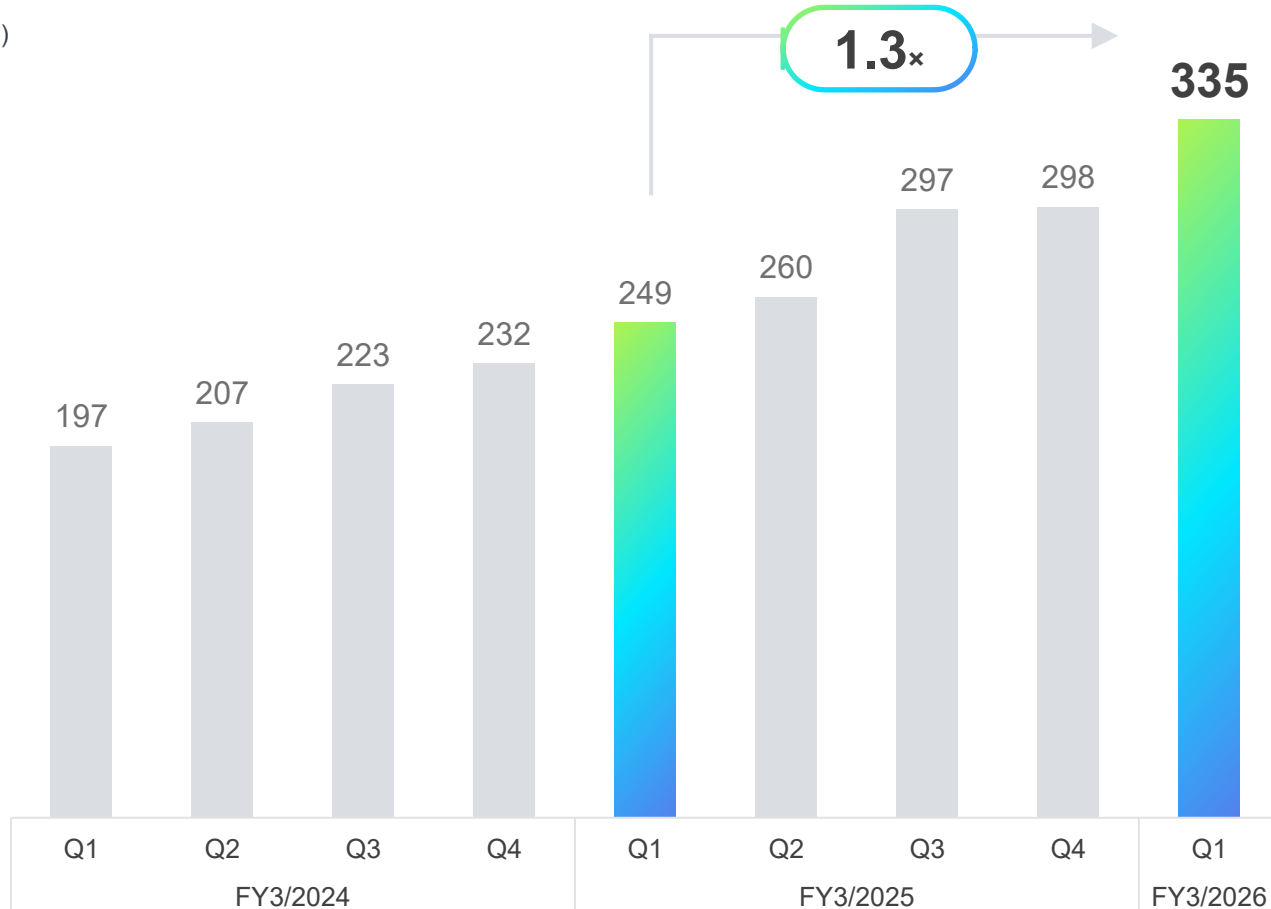
*Figures in the chart show the accumulation of non-consolidated figures before offsetting intercompany transactions and so differ from total net sales for the segment.

IT personnel to support DX

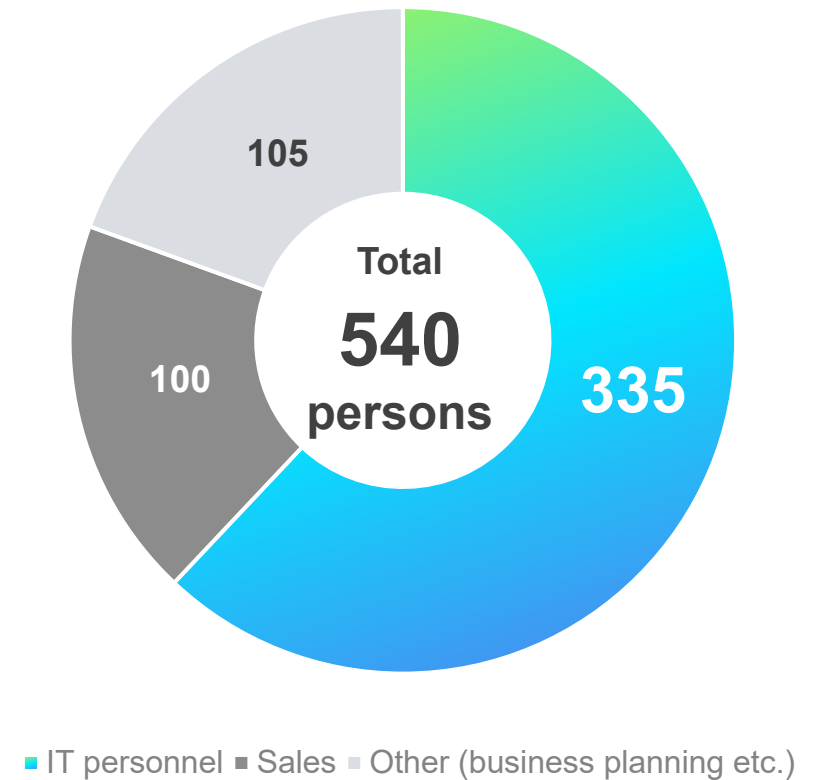
- The number of IT personnel, who promote DX for the Group, increased to more than 60% of the total (1.3 times YoY), which was due in part to M&A and recruitment during the current quarter.
- The increase in IT human resources is the driving force for the growth of the Group's DX business and is one of the strengths supporting our system development capabilities.

Increase in number of IT personnel to support DX

(Persons)



Group-wide job composition



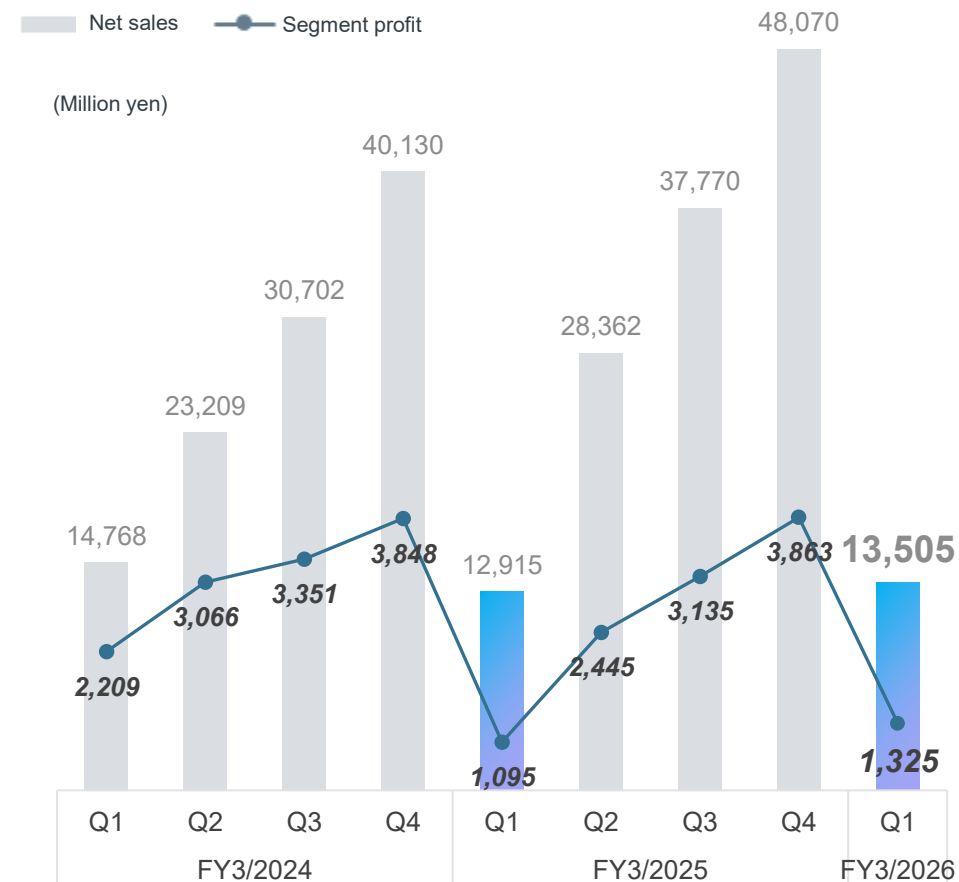
DX Real Estate Business

- Sales are performing well and net sales has increased by 4.6%.
- Segment profit increased by 21.0% due to factors such as the higher sales ratio of new properties which raised the overall gross profit margin as well as the sales price being higher than expected.

DX Real Estate Business segment total

(Millions of yen)	FY3/2025 Q1	FY3/2026 Q1	YoY	YoY (%)
Net sales	12,915	13,505	+590	+4.6%
Segment profit	1,095	1,325	+230	+21.0%

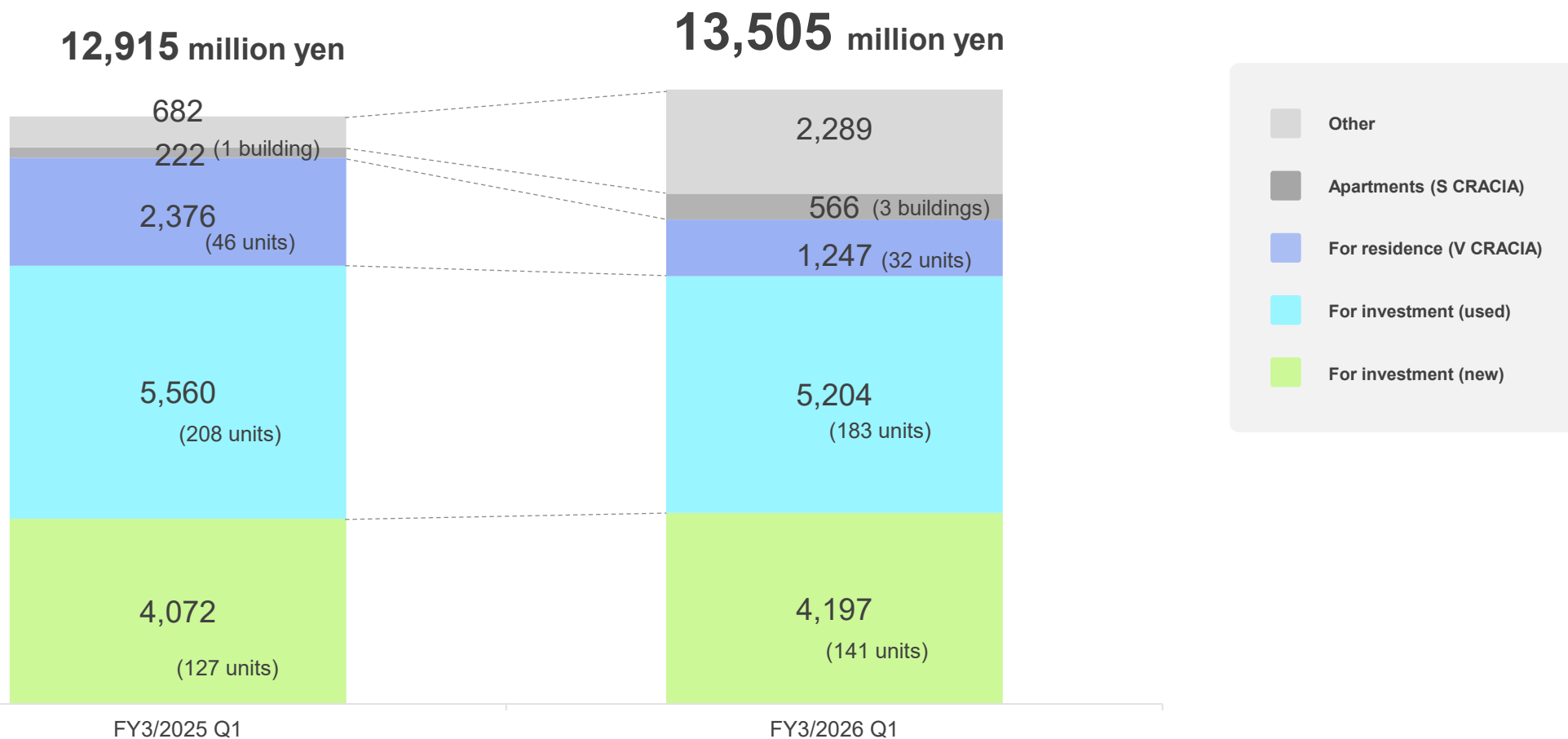
Net sales and segment profit



DX Real Estate Business segment net sales and unit sales

- The demand for revenue-generating real estate continues to be strong, and the sales price of new property condominiums for investment remains at a high level.
- The sales price of pre-owned units is also experiencing a rising trend driven by the rising price of new properties due to factors such as rent increases.

(Millions of yen)



FY3/2026 Q1 BS highlights

- We have been able to maintain inventory of properties for the current and next fiscal year, and total assets remain unchanged.
- Cash and deposits as well as interest-bearing debt have increased due to recovery of funds through sales and debt financing to purchase inventory.

(Millions of yen)	FY3/2025	FY3/2026 Q1	YoY	YoY (%)
Total assets	54,506	55,495	+989	+1.8%
Cash and deposits	6,895	8,045	+1,149	+16.7%
Inventories	44,218	44,189	(29)	(0.1%)
Interest-bearing debt	38,382	39,654	+1,272	+3.3%
Net assets	11,273	11,533	+260	+2.3%

Management index	FY3/2025	FY3/2026 Q1	Change	Management standard value
ROE	12.9%	-	-	12.0%
Net D/E ratio	2.83x	2.74x	(0.08)	up to 2x
Equity ratio	20.4%	20.5%	+0.1%	25%

3. FY3/2026 Progress Against Annual Forecast and Dividends

FY3/2026 Progress against annual forecast

- Net sales is progressing in line with the annual forecast.
- Although upfront investments continue for the DX Promotion Business, the sales price of new properties in the DX Real Estate Business continue to be at a high level so profit at each level is progressing better than expected.

(Millions of yen)	FY3/2026 Forecast	FY3/2026 Q1 results	Progress rate
Net sales	60,000	14,272	23.8%
Operating profit	2,800	975	34.8%
Ordinary profit	2,150	781	36.3%
Profit attributable to owners of parent	1,300	499	38.4%

FY3/2025 Q1 State of progress against annual forecast

- Net sales is progressing in line with the annual forecast.
- Although upfront investments continue for the DX Promotion Business, the sales price of new properties in the DX Real Estate Business continue to be at a high level so profit at each level is progressing better than expected.

<Annual forecast>

Net sales

14.2 billion yen

Progress rate
23.8%

60.0 billion yen

Operating profit

0.97 billion yen

Progress rate
34.8%

2.8 billion yen

Ordinary profit

0.78 billion yen

Progress rate
36.3%

2.15 billion yen

Profit attributable to owners of parent

0.49 billion yen

Progress rate
38.4%

1.3 billion yen

Return to shareholders (dividends)

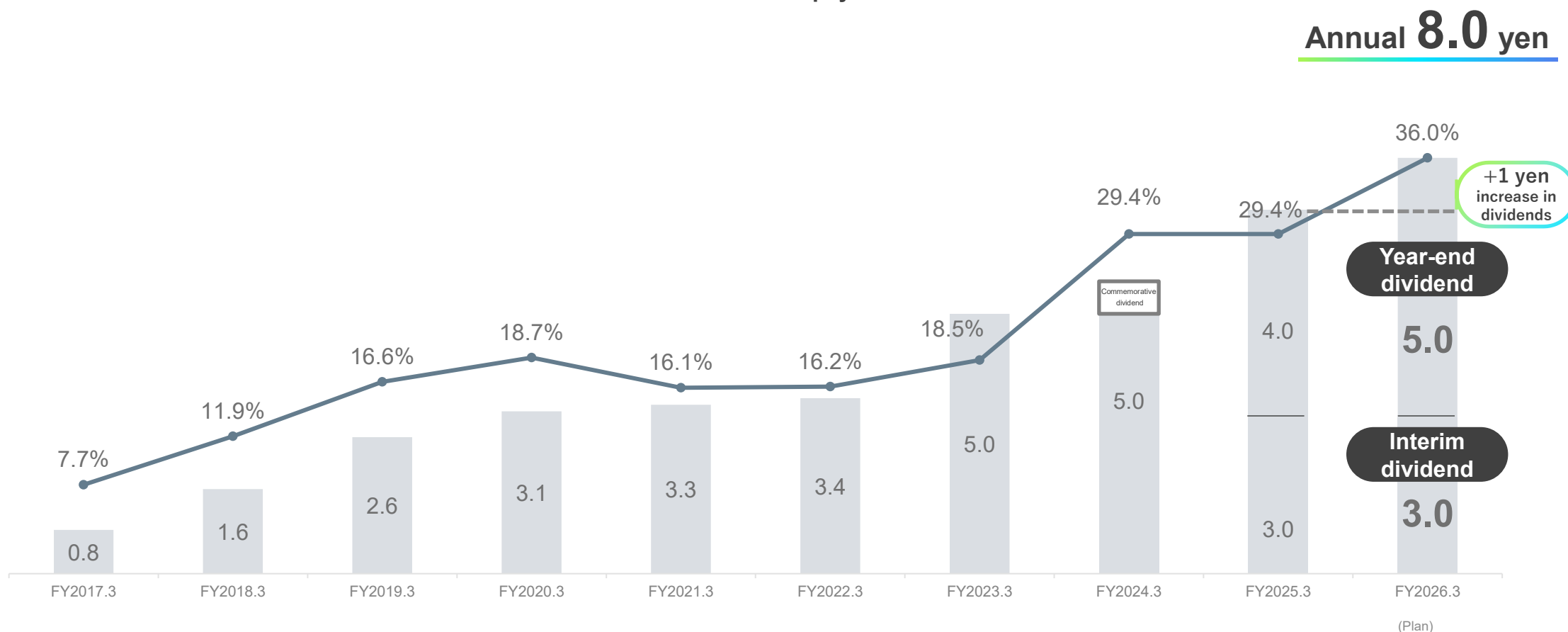
- Annual dividend for FY3/2026 is forecast to rise 1 yen to 8 yen (interim dividend of 3 yen, year-end dividend of 5 yen).
- Actual dividends for FY3/2025 reflect stock splits effective July 1, 2024, March 1, 2025, and June 1, 2025, all of which are 2-for-1 splits.

	FY3/2025 Actual dividend		FY3/2026 Forecast dividend
Interim dividend	3 yen		3 yen
Year-end dividend	4 yen		5 yen
Annual dividend	7 yen	1 yen increase in ordinary dividends YoY	8 yen

Returns to shareholders

- Annual dividend for FY3/2026 is forecast to rise 1 yen to 8 yen (interim dividend of 3 yen, year-end dividend of 5 yen).
- Actual dividends for FY3/2025 reflect stock splits effective July 1, 2024, March 1, 2025, and June 1, 2025, all of which are 2-for-1 splits.

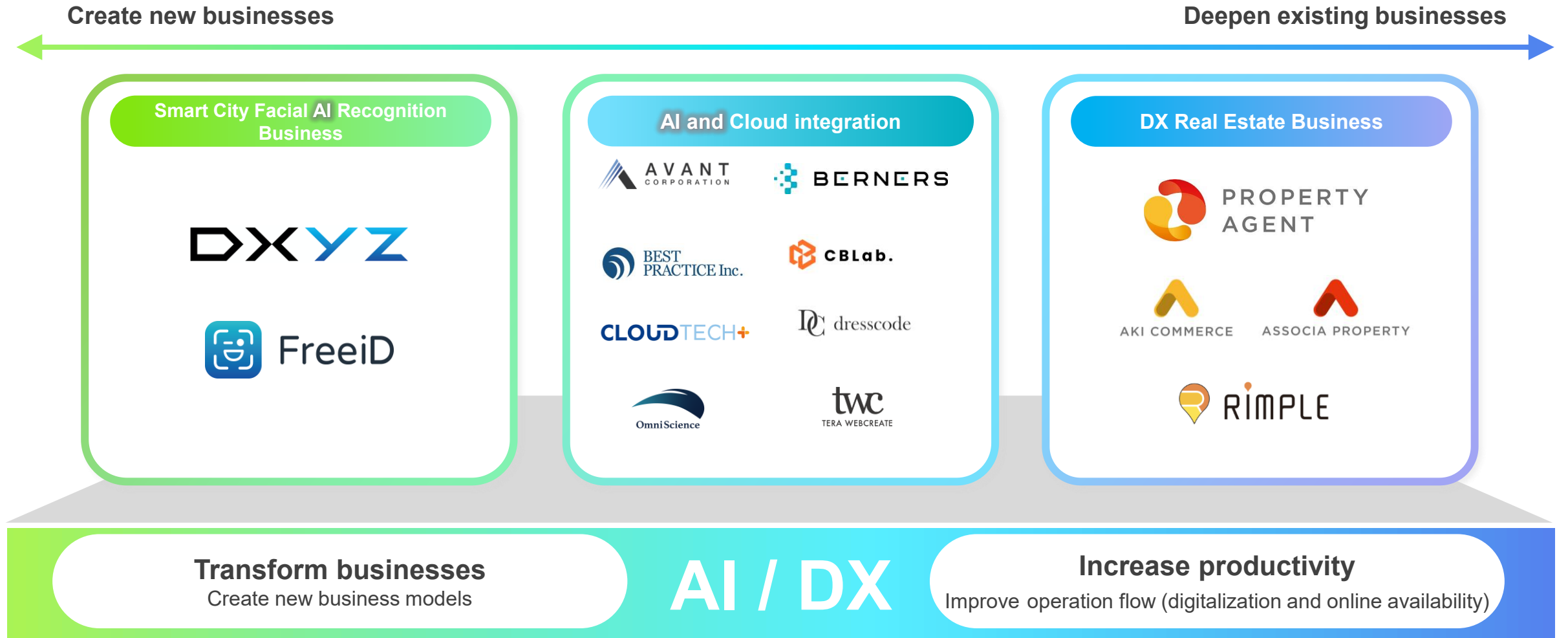
Dividends and dividend payout ratio



4. Business Details and Future Outlook

Businesses developed by the Group

Developing the DX Promotion Business using AI technology, along with deepening and expanding the DX Real Estate Business



Examples of facial recognition services in Japan

DX Promotion Business

Various companies offer facial recognition services in Japan and their use is spreading to various locations.



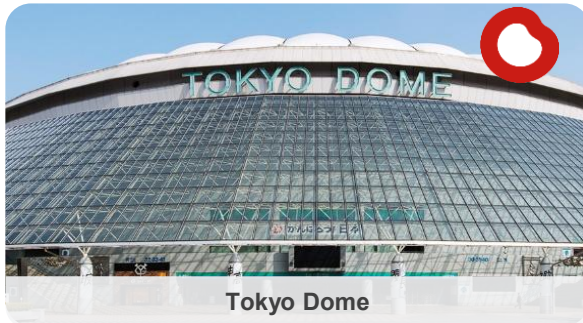
Tokyo Olympics



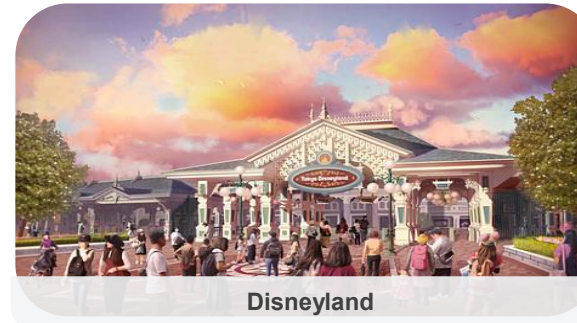
Fuji-Q Highland



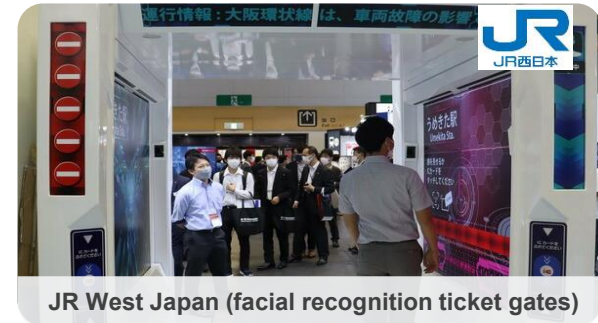
Haneda Airport



Tokyo Dome



Disneyland



JR West Japan (facial recognition ticket gates)



MITSUBISHI ESTATE CO., LTD. (getting on/off buses)



Osaka Metro (facial recognition ticket gate)




Osaka Expo

Track record in provision of FreeiD facial recognition service - main examples

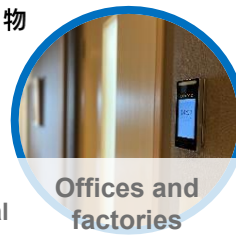
DX Promotion
Business

Solution

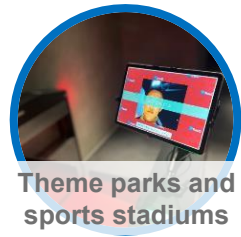
Access
management




Condominiums



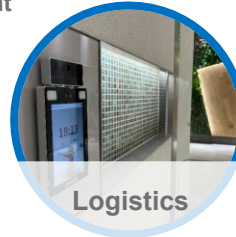
Offices and
factories



Theme parks and
sports stadiums



Nursery schools



Logistics



Construc
tion sites

Identity
verification




Lockers



Golf courses




Childcare/facility
receptions



Linked to My
Number ID card

Payment




In-store payments



Staff-free stores



Platform

Provision of facial ID infrastructure
without FreeiD app

人を、想う力。街を、想う力。



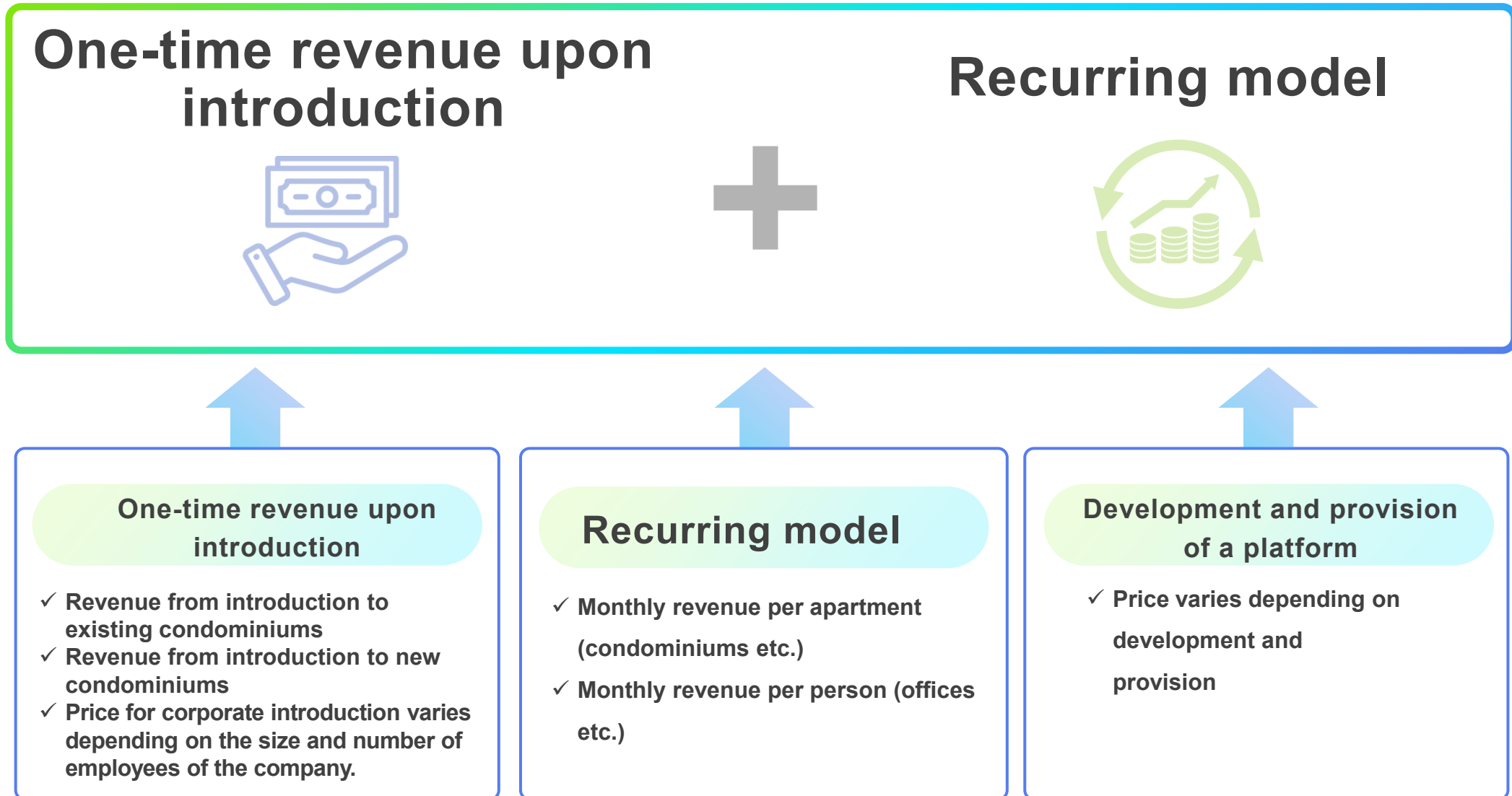
Machi Pass

Providing technology and supporting
the development of Machi Pass Face,
Mitsubishi Estate's facial recognition
service alliance platform



Collaboration with Haseko Holdings'
LIM Cloud

Register your face through the
Mairimu app and make life in the
condominium "face-only"

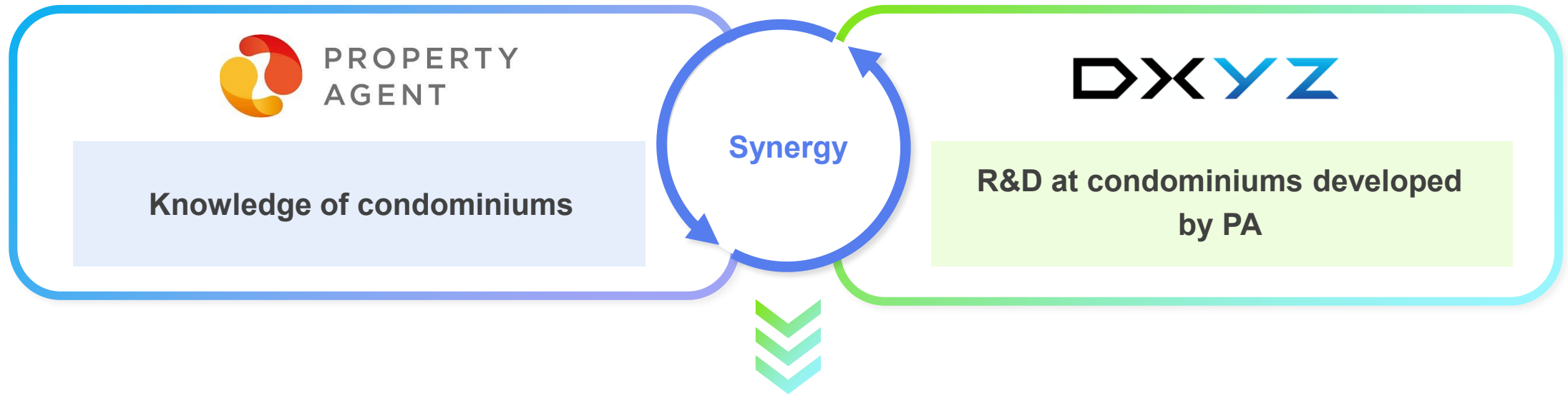


Reasons why FreeiD has been chosen

DX Promotion
Business



DX Real Estate
Business



FreeiD

Provide high added value to developers / management companies / residents through product design and installation technology packed with know-how from the condominium industry

- ❑ Finished goods, service, and construction technology based on an understanding of the circumstances of construction companies and management companies
- ❑ Solid track record with Property Agent's condominiums.
- ❑ A pioneer in the condominiums industry that no longer has serious competition.

What sets FreeiD apart: management system and operations

DX Promotion
Business



DX Real Estate
Business

Points that developers and management companies appreciate

FreeiD プロパティ管理

プロパティエージェント PM課 プロパティエージェント賃貸管理部門 (PM) ▼

FreeiD/内見Onetime/内見Onetime一覧 新規作成

検索条件

名前: 田中太郎 マンション: 選択してください 物件: 選択してください

利用開始日時: [カレンダー] 利用終了日時: [カレンダー]

ステータス: 選択してください 仲介会社: 選択してください

検索

2814件中 1~50件表示

マンション名	物件名	利用期間	仲介会社
XYZレジデンシャル五反田	1303号室	2025年1月22日 18:30 ~ 2025年1月22日 19:00	株式会社VI
フリードマンション赤羽	503号室	2025年1月13日 14:00 ~ 2025年1月13日 14:30	株式会社KE
XYZマンション杉並	601号室	2025年1月13日 14:00 ~ 2025年1月13日 14:30	株式会社KE
クレイシアXYZ麻布	901号室	2025年1月13日 11:30 ~ 2025年1月13日 12:00	株式会社VI
XYZマンション杉並	403号室	2025年1月13日 14:30 ~ 2025年1月13日 15:00	株式会社ミ
フリードマンション川崎	601号室	2025年1月12日 19:00 ~ 2025年1月12日 19:30	株式会社工
XYZレジデンシャル五反田	1303号室	2025年1月12日 16:00 ~ 2025年1月12日 16:30	株式会社VI
XYZマンション北参道 III	1303号室	2025年1月12日 19:00 ~ 2025年1月12日 19:30	株式会社VI

Contribute to productivity improvement by providing a management system based on the business process / management process of developers and management companies!

(1) No need to deal with lost keys

- No need to exchange physical keys at the start and end of tenancies, reducing costs!
- No need for physical key management process during viewings!
- Zero work dealing with lost keys! Minimize security risks.

(2) No risk of subleasing or vacation leasing

- Reduces the risk of subleasing with an entry and exit history that can verify identity!
- Vacation leasing is not possible, so the security of managed properties is improved!

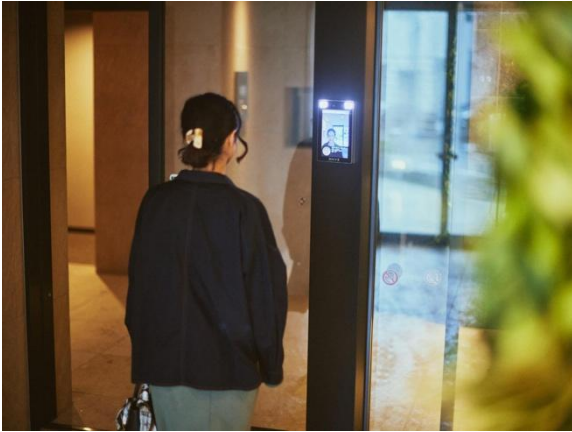
What sets FreeiD apart: “All facial recognition” condominiums

DX Promotion Business



DX Real Estate Business

Points that residents appreciate



Japan’s first “all facial recognition condominium”

(1) Interlocking with elevators, delivery boxes, and other peripheral devices

- Can access the common area in the condominium entrance.
- Elevator ascends and descends automatically to the resident’s floor.
- Can receive mail smoothly through a parcel delivery box or mailbox.
- Entrance into the apartment is easy regardless of whether it is an external corridor or an internal corridor.

(2) The industry’s largest installation record and high level of satisfaction

- FreeiD installed at 228 condominium buildings (as of the end of June 2025)
- 97% user satisfaction in resident survey.

Expanding Japan's first*1 facial recognition condominiums nationwide

DX Promotion Business

DX Real Estate Business

Number of condominium buildings with FreeiD

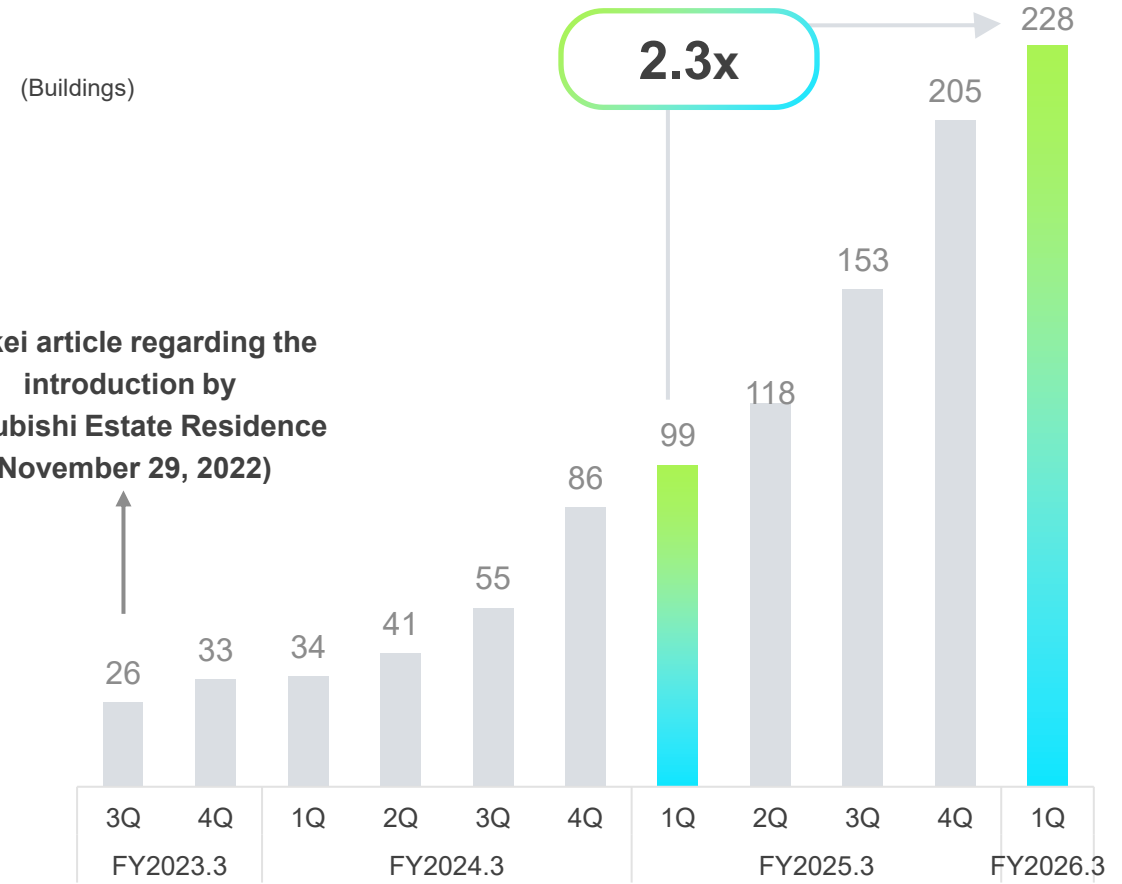
228 buildings

Number of companies

82 companies



Number of condominium buildings with FreeiD



Development and others



*1 "CRACIA IDZ GAKUGEIDAIGAKU," completed in January 2021, is the first all facial recognition condominium in Japan (based on our research) Results are as of the end of March 2025.

Multi-platform scalability across multiple facial recognition engines* makes it unique residential equipment that continues to evolve even after installation

*Patented



Compared with the systems of major companies in Japan, which lack connectivity and scalability, FreeiD can be installed and expanded at a cost appropriate to the scope of deployment.

Promoting cities where people only need their face, centered on Sanga Stadium

*Test-run completed at the end of March 2024

DX Promotion
Business

Face-only resident services

- Childcare facility that Kameoka City residents can use for free
- No need to show ID, “face-only” entrance (linked to My Number ID card)



KIRI no KO at Sanga Stadium by KYOCERA



Kamemaru Land, a children's play facility in Galleria Kameoka

Face-only shopping

- Available at the food court in the stadium
- Makes “face-only” shopping possible



Four stores at Football Diner in Sanga Stadium by KYOCERA

Face-only entry into stadium

- A service for fan club members
- “Face-only” entry to the stadium with no need for ticket

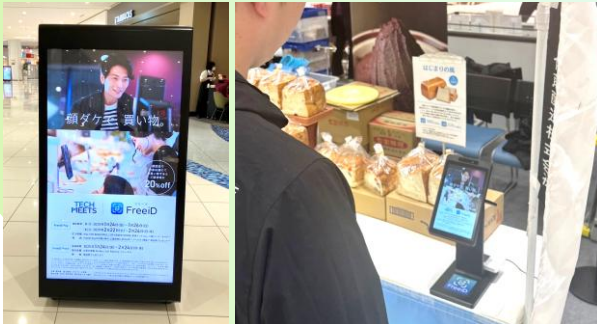


Facial recognition entry into Skybox for fan club members

Face-only shopping using FreeiD Pilot project

FreeiD Pay

Shoppers received a 20% discount on purchases when using an AEON card with facial recognition.



FreeiD Point

Presentation of paper or smartphone point cards is no longer necessary



FreeiD Coupon

Free entry to Tokoname Hot Spring Mago no Yu



Face-only shopping at AEON MALL Tokoname Implementation of pilot project

• First round: Friday, January 24 - Sunday, January 26, 2025, Second round: Saturday, February 22 - Monday, February 24, 2025, totaling 6 days

346 shoppers made 1,173 payments, equivalent to approximately 3.5 million yen in purchases

Face-only shopping. Results of pilot project survey

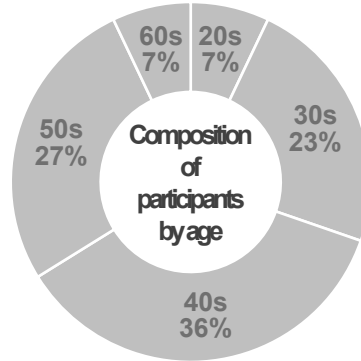
*Survey of participants in AEON MALL Tokoname events between Friday, January 24, and Sunday, March 2, 2025

Q. What was your experience of FreeiD Pay?

A. 95% responded that they felt it was easier than payments made by credit card or smartphone

Q. Do you feel it would be convenient if FreeiD Pay facial recognition-based payment could be used throughout the entire AEON Mall?

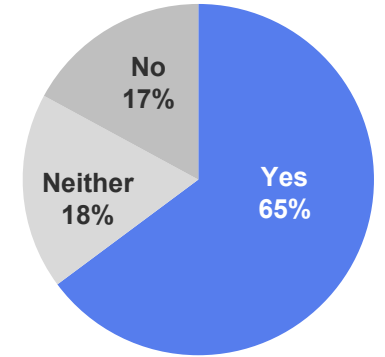
A. 97% responded that being able to use it would be convenient



FreeiD Pay was highly rated by people of widely varying ages

Q. When using FreeiD Pay facial recognition-based payment you can make purchases using only your face. Do you feel that you spent money more freely than usual as a result?

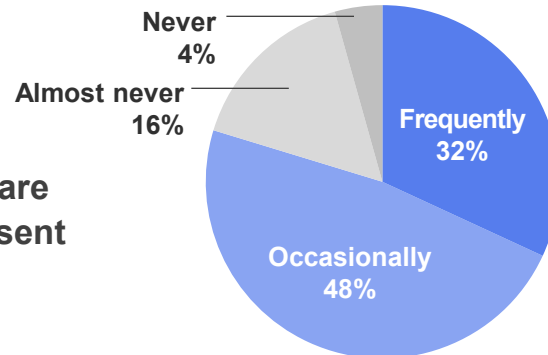
A. 65% responded that they spent money more freely than usual



It suggests that face-only purchasing could lead to an increase in customer unit price

Q. Are there times when you do not present a point card even though you have one on your person?

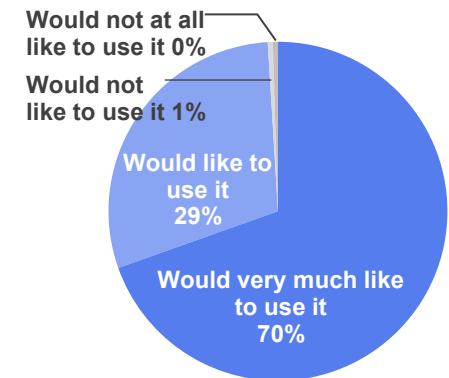
A. 80% responded that there are times when they do not present point cards even when they have them on their person



Many people do not present a card even when they have them on their person

Q. If there were an increase in the number of facilities where it could be used, would you like to try the FreeiD Point facial recognition point service?

A. 99% responded that if there were an increase in the number of facilities where it could be used, they would like to try FreeiD Point



Shows the potential for expansion of the FreeiD Point service

Increase in initiatives by local government

DXYZ and Kamikawa Town (Hokkaido) - Room access facial recognition, identity verification, and payment pilot project

Pilot project for town residents using FreeiD has started full-scale operation 6 months after launch

- After concluding the “Future Co-Creation Partnership Agreement” between Kamikawa Town and DXYZ, a pilot project was introduced in seven facilities within Kamikawa Town and has now started full-scale operation after 6 months

Overview of this pilot project

This project introduced FreeiD in several facilities in Kamikawa Town, where people such as residents, local government officers, and board of education staff can experience face registration meetings.

During the 1st phase of the pilot project, FreeiD was introduced in seven facilities such as the town hall (including shared facilities in the town hall), accommodation facilities, spaces for interaction between children, a cafe and restaurant, and a local brewery.

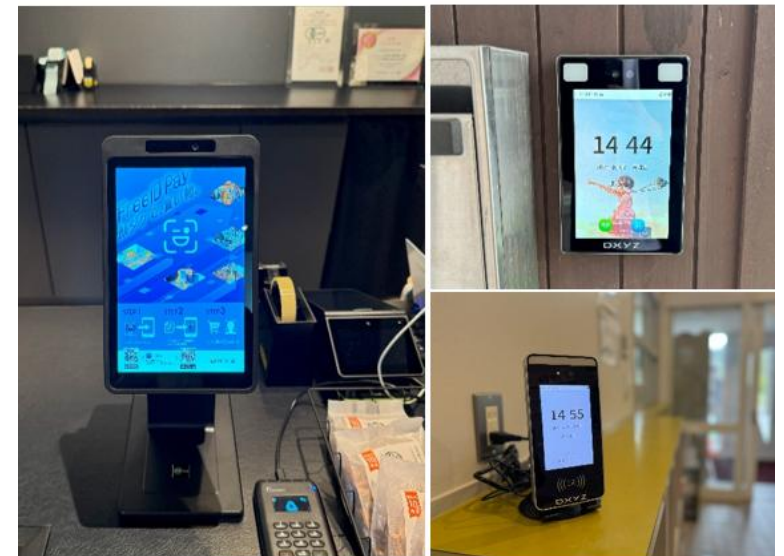
- ✓ **Access management service:** Provides greater security and improves convenience because key management is unnecessary, which optimizes reception tasks such as keeping visitor logs
- ✓ **Identity verification service:** Records a log of children when they return home, providing a monitoring function that mitigates any worries parents might have for their children
- ✓ **Payment service:** Improves the convenience of payment and implements service verification aimed at stimulating the tourist industry in the future*

Future initiatives

We will continue to introduce FreeiD in other facilities and locations with the aim of introducing this system in all municipalities throughout Japan in the future.

We have released an introduction video*2 for this pilot project to enable even more people to experience life where “face-only recognition is used to connect the world.”

Scan the QR code for a link to the video▶



Provision of new “FreeiD Hotel” service starts

Arrival of new “FreeiD Hotel” service from the FreeiD facial recognition ID platform jointly developed with USEN-ALMEX

Guests can now enter and exit their rooms using facial recognition at the Tsuneishi Group’s “Seto-no-oka.”

- USEN-ALMEX has started provision of a new “FreeiD Hotel” service that allows guests to enter and exit their rooms using facial recognition during their stay after checking in at a hotel. The service integrates the “KIOSK” self check-in system provided by USEN-ALMEX and “FreeiD” facial recognition ID platform.
- This service allows guests to use hotel facilities using facial recognition without their room key during their stay, and covers the hotel’s common areas and all guest rooms.



Overview of Seto-no-Oka

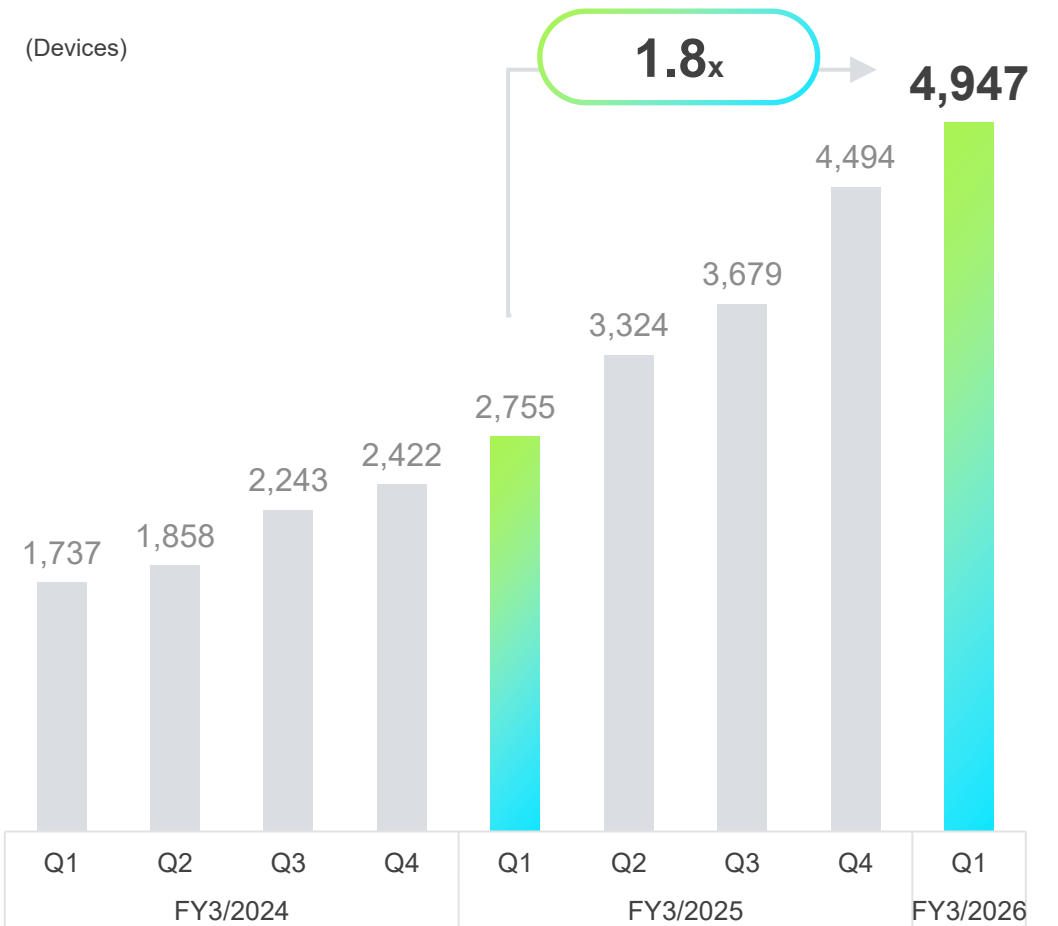
- Facility name: Seto-no-Oka
- Location: 1273 Tsuneishi, Numakuma-cho, Fukuyama City, Hiroshima
- Structure / Floors: Reinforced concrete structure, 6 floors above ground
- Total floor area: 6,415.56 m²
- Number of rooms: 44 (Hotel), 117 (Dormitory)
- Opened: May 23, 2025

Facial recognition platform “FreeiD”

Number of “FreeiD” users



Number of solutions (number of devices implemented)



List of facial recognition patents

MIGALO HOLDINGS and DXYZ patent information

DX Promotion
Business

DX Real Estate
Business

Facial recognition engine

Patent No. 6839313

- Compatible with various situations using single registering of facial information



Facial recognition system for offices

Patent No. 6804678 and 6896131

- Control entry into offices and visits to facilities without the need for physical employee IDs and ID cards.
- Automatically unlock doors and manage entry into individual units with facial recognition.



Facial recognition system for condominiums

Patent No. 6690074, 6799223 and 6858914

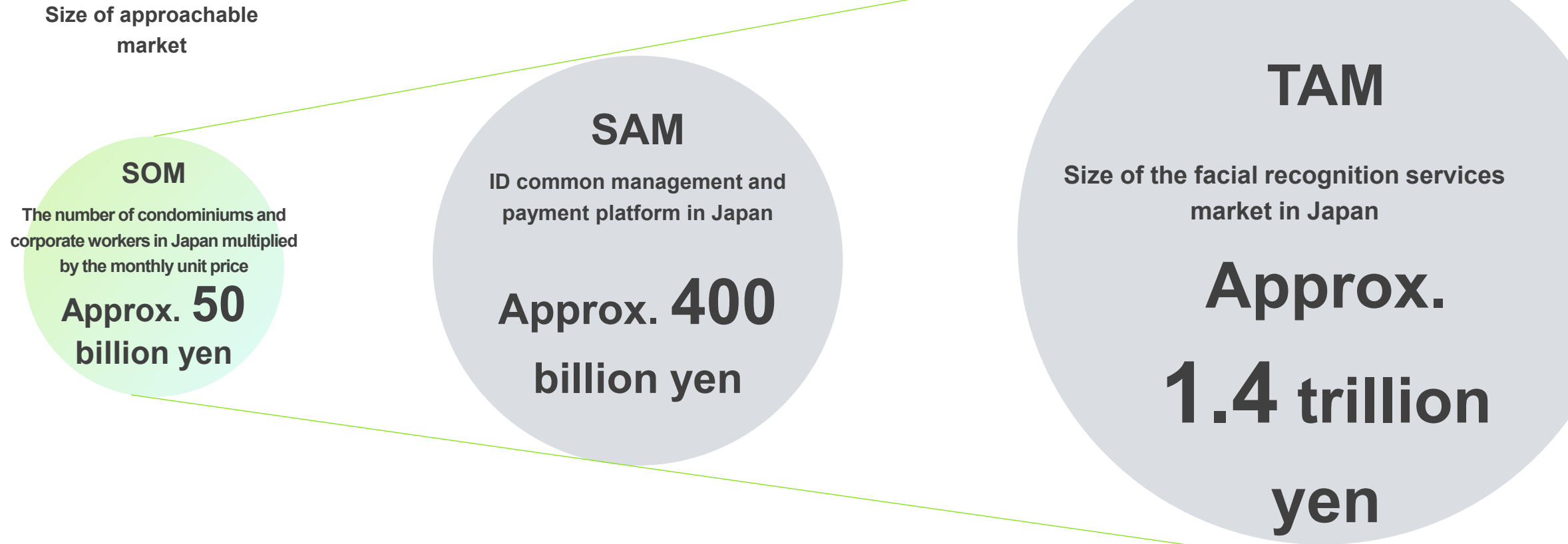
- Unlock entrance, parcel delivery box, elevators, and front door with “facial pass.”
- Includes One Time (key lending) function that allows family members and friends who do not live in the residence to unlock doors.



Patent number	Invention name	Registration date
6690074	Facial recognition method, facial recognition system, program, and storage media	Apr. 2020
6799223	Facial recognition method, facial recognition system, program, and storage media	Nov. 2020
6804678	Facial recognition method, facial recognition system, program, and storage media	Dec. 2020
6829789	Management server, delivery management method, program, and storage medium	Jan. 2021
6839313	Facial recognition method, program, storage medium, and facial recognition system	Feb. 2021
6858914	Information processing method, information processing system, program, and storage medium	Mar. 2021
6896131	Facial recognition method, facial recognition system, program, and storage media	Jun. 2021
6985460	Recognition system	Nov. 2021
7038877	Facial recognition system and program	Mar. 2022
7038887	Facial recognition system and information processing method	Mar. 2022
7055924	Facial recognition system and program	Apr. 2022
7096939	System, facial recognition platform, and information processing method	Jun. 2022
7096941	Bar and restaurant system and information processing method	Jun. 2022
7151015	Program, computer, and information processing	Sep. 2022
7230074	Recognition system	Feb. 2023
7245377	Facial recognition system and program	Mar. 2023
7336572	Information processing system, program, and information process method	Aug. 2023
7355790	Program, system, and information processing method	Sep. 2023
7692586	Facial recognition system	May 2025

DX market size (size of facial recognition market)

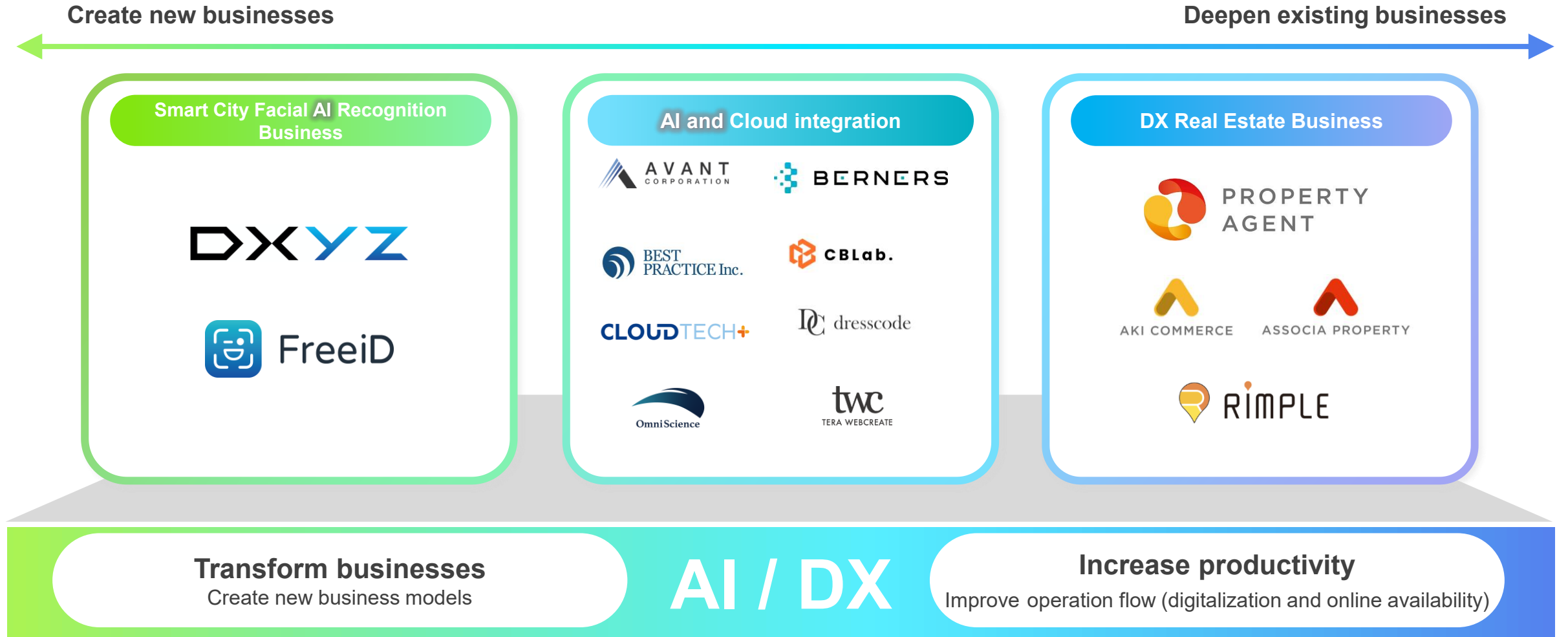
The market size that can actually be approached is expected to be approximately 50 billion yen, and there is still room for expansion.



Source: Fuji Chimera Research Institute, "Domestic Market Research on Digital ID / Authentication Solutions" / Fuji Chimera Research Institute, "2022 Digital ID / Authentication Solutions Business Market Research Handbook"

Businesses developed by the Group

Developing the DX Promotion Business using AI technology, along with deepening and expanding the DX Real Estate Business



Synergies between the Group's businesses

The Group's strength lies in the DX track record of operating companies within the Group and the ability to apply the know-how accumulated through this to other companies.

Becoming an SI company group with abundant knowledge and experience

Generative AI / Cloud integration



- Support for DX service development
- Support for introduction of Salesforce, AWS
- Support for data/AI utilization
- Support for development and dispatch of DX human resources
- Security measures, etc.

- Benefit from know-how through business support
- Providing opportunities for trial and error
- Frank feedback from an operating company perspective
- Implement high-speed PDCA, etc.

Becoming a pioneer in business DX by improving productivity

DX Real Estate Business



AKI COMMERCE



ASSOCIA PROPERTY



Spreading DX promotion know-how to other client companies

Results of support by the DX Promotion Business

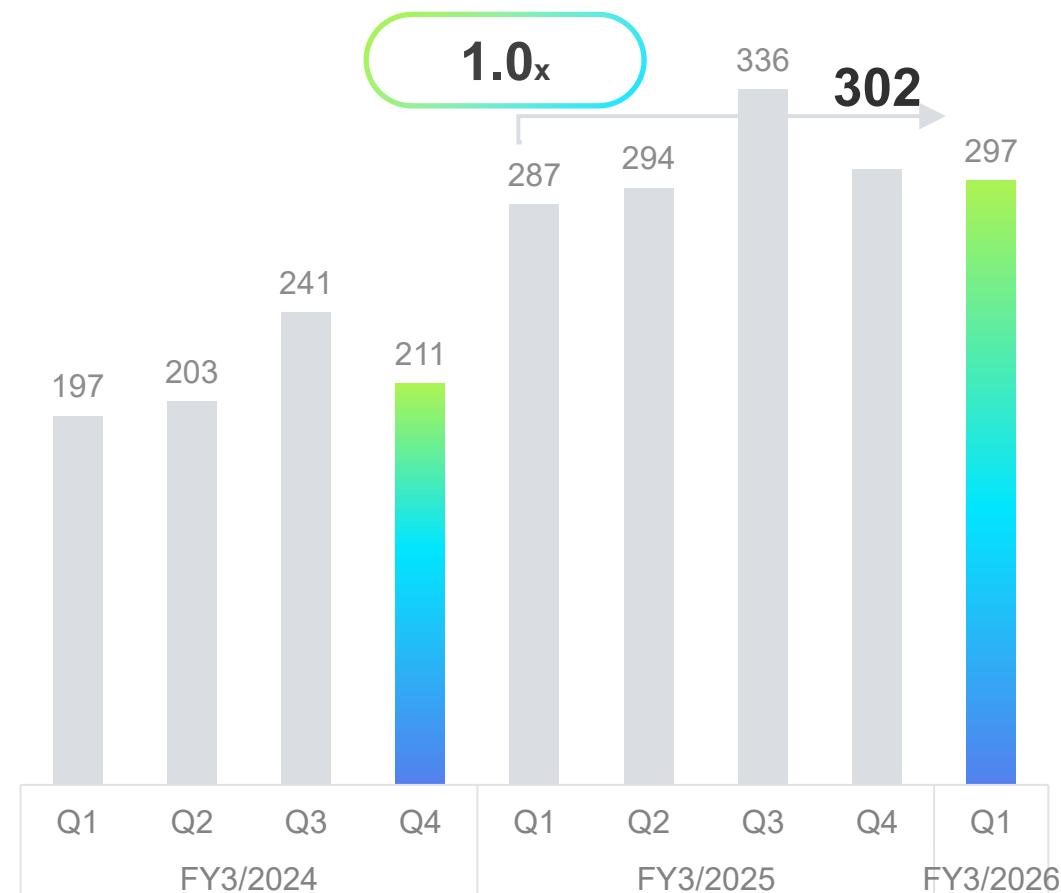
DX Promotion
Business

Number of DX promotion and support services provided

216 companies (YoY: +42)



Number of active SI projects



Acquisition of shares in U-System Creation Inc. (transformed into a subsidiary)



MIGALO
HOLDINGS

Company overview for U-System Creation Inc.

Company name:	U-System Creation Inc.
Representative:	Masaaki Ohgo, Representative Director
Established:	April 1991
Address:	4F Jinbocho Three Building, 3-12-3 Kanda Jinbocho, Chiyoda-ku, Tokyo
Description of business:	System outsourcing development business (Microsoft Solutions Provider)
Share capital:	10 million yen

*The date of share acquisition is scheduled for September 30, 2025

Background to acquisition of shares and future outlook

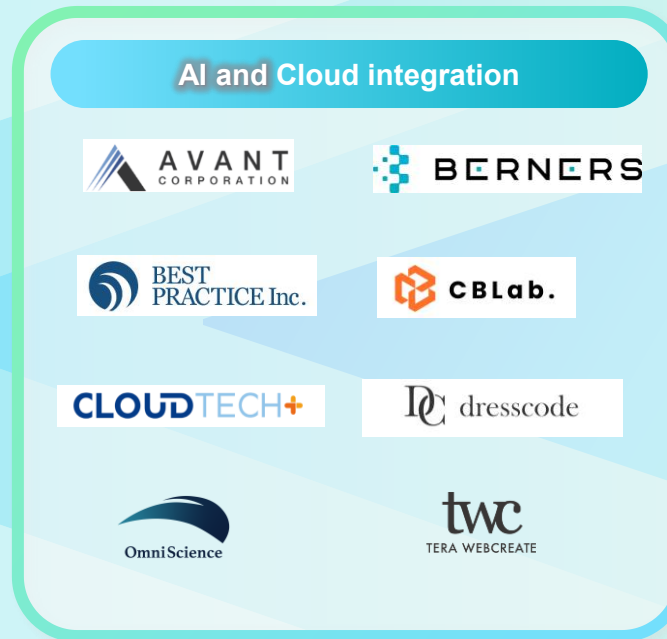
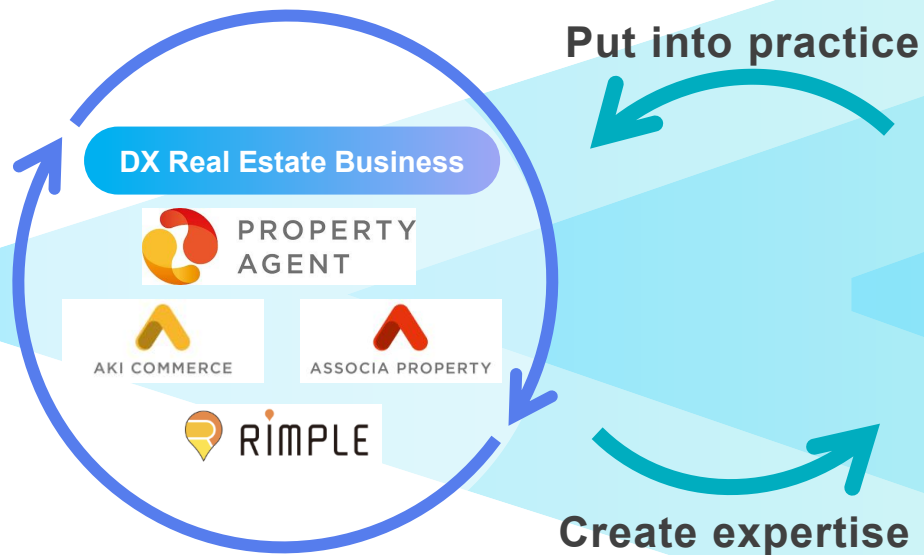
- We believe that we can share the excellent customers and use the outstanding engineers and technology as well as the expertise and case studies data that U-System Creation has accumulated in its system outsourcing development business, which will enable the Migalo Holdings Group to further grow our DX Promotion Business and also promote optimal DX while maximizing customer value as part of this activity. Therefore, we have determined that this will further improve the profitability of the Group and contribute towards strengthening our competitiveness.
- We are aiming to achieve the current challenge of hitting the DX Promotion Business net sales target of 5.0 billion yen ahead of target in FY3/2026.

Becoming an AI solutions provider company

The Cloud integration business puts AI into practice within the Group, and the AI utilization expertise gained from this is used to achieve AI transformation so that we can transform into a company that provides AI solutions for deployment to other companies.

Becoming an AI solutions provider company with abundant knowledge and experience

Becoming a pioneer in business DX by
improving productivity through the use of AI



Deploy practical AI knowledge created in the Group to other companies.

Use expertise accumulated in the DX Real Estate Business to provide AI solutions.

The Migalo Holdings Group's development of AI

DX Promotion
Business

In-house use of the “SRX AI Video Analysis Service” app

- Group company Berners created and released an AI app
- The AI app used by our sales team is also being used to recruit personnel

◆ Features

Topics change for each conversation

Rather than summaries conducted on predetermined topics, summaries are based on topics actually contained within the conversation



Some actual screenshots from deployment at Property Agent



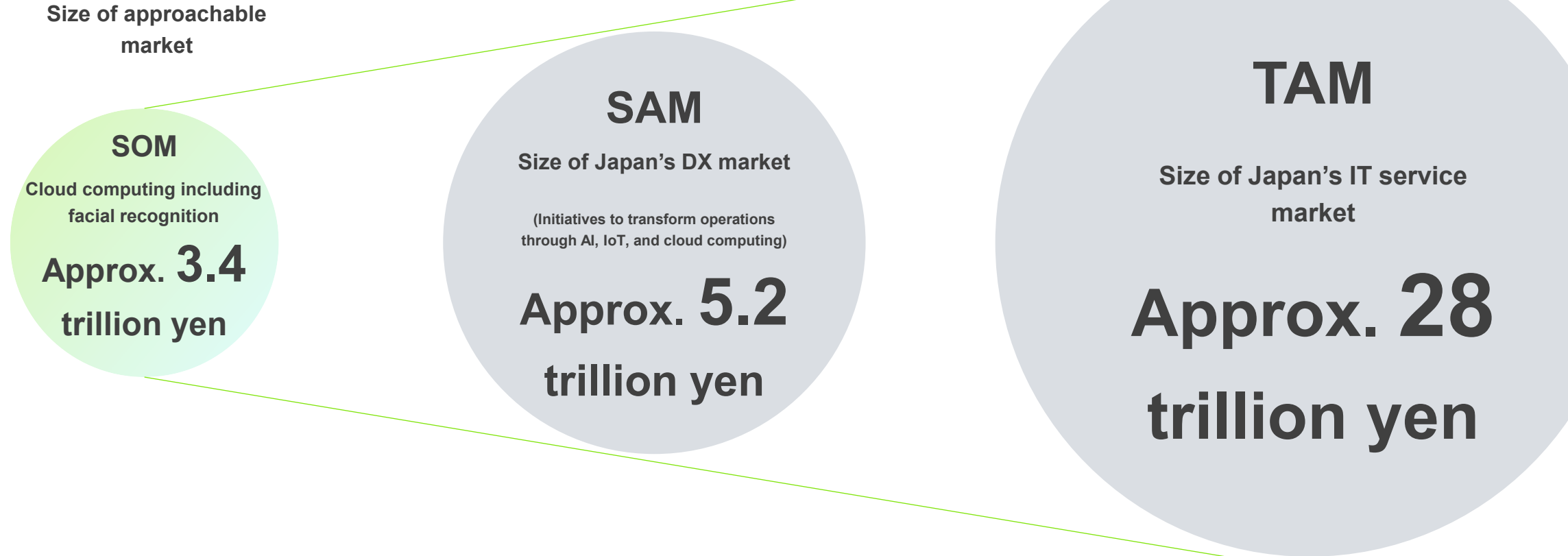
1
Summaries of meeting information
Summaries of conversations in a meeting as a whole, as well as the topics themselves, are automatically organized by AI for each meeting instead of being fixed

2
Video/transcripts
AI transcribes conversations during business discussions and can conduct searches within the conversation based on arbitrary keywords

3
Evaluation/analysis
Customer desires, uncertainties, and opinions are inferred by the AI and displayed in detail after the meeting

DX market size (system development market size)

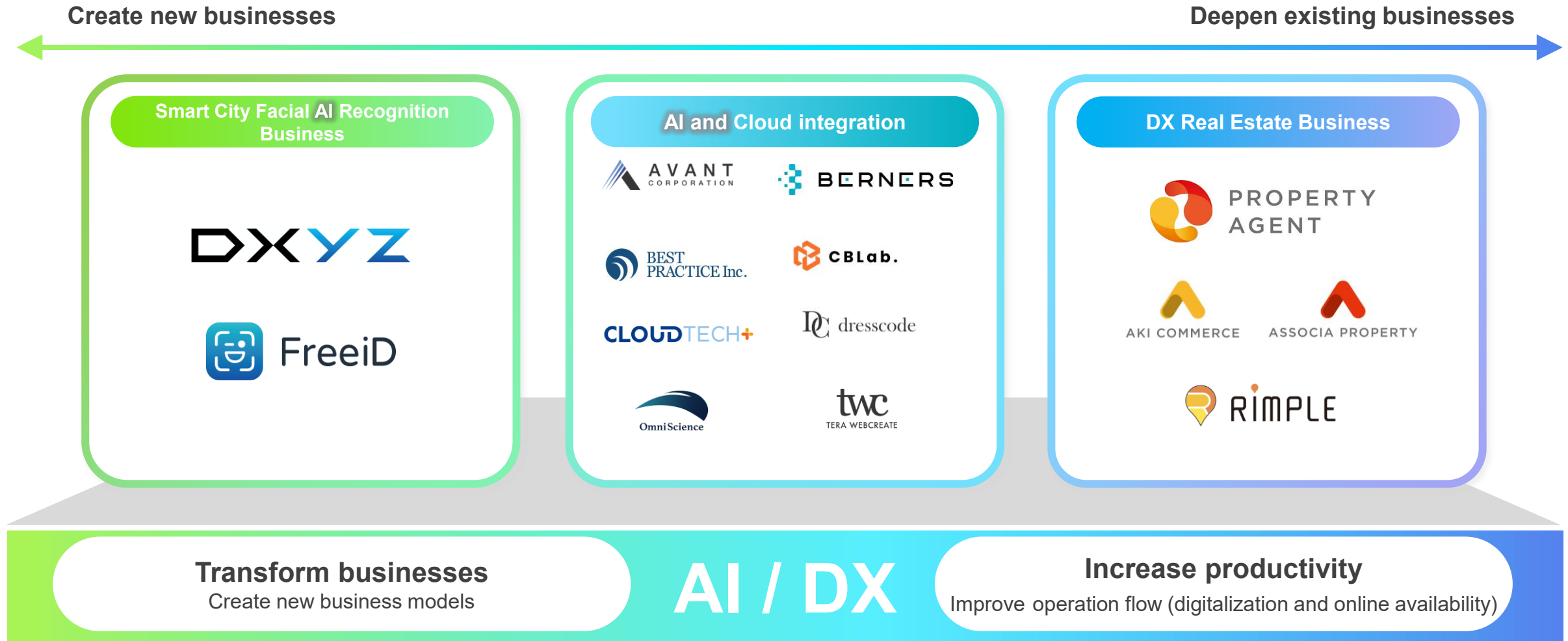
The market size that can actually be approached is large, and there is still room for expansion, given that it is a growing market.



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

Developing the DX Promotion Business using AI technology, along with deepening and expanding the DX Real Estate Business



Specializing in compact-type condominiums with our service capability that can provide a one-stop solution for all activities from purchasing to sales, rent management, and property purchasing.

**Unique
strengths**

**Specializes in
compact-type.**



- Specializes in compact-type condominiums for DINKS and single people taking advantage of our company's strengths and with high profitability.

**Japan's first all facial
recognition condominium**



- Introduced FreeiD face recognition to all developed properties.
- Unlock all doors using facial recognition.
- Keys can be transferred using an app.

**Strategic
strengths**

Purchasing power



- Specializes in Tokyo's 23 wards, Yokohama, and Kawasaki areas.
- Utilizes strong local networks.
- Adopts unique purchasing indicators.

Planning power



- Planning that meets the needs of residents
- Functional design using space efficiently

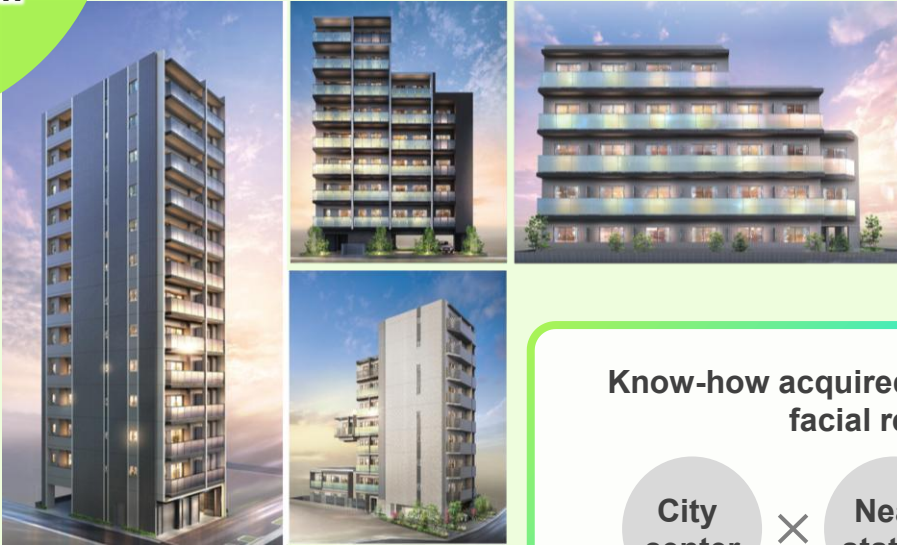
**Rent management
power**



- High-value added properties that are rented at a higher fee than local market rates
- Average occupancy rate is at a high level of 99% or higher.

Property information by segment in the DX real estate business with high asset value

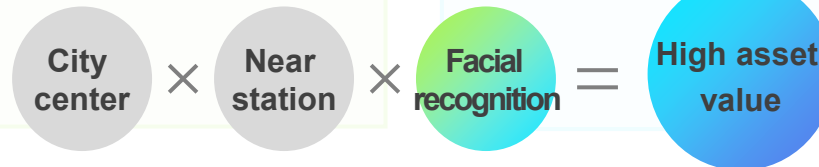
New condominiums for investment 20-25m²



Used condominiums for investment 20-25m²



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



Condominiums for residence 35-40 m²



Apartments for investment 200 to 400 million yen Cap around 5%



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 information website “Real Estate Investment Times.”

Service operations tailored to social conditions and customer needs



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



セゾンポイント



ハピタス



モッピー



WILLs



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

Number of DX Real Estate Members

186,440 persons
(YoY: +6,645)

*From FY3/2025 Q1, the number of DX real estate member has been adjusted retroactively due to a change in the calculation method.

All facial recognition condominium

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

Common space



Entrance

Unlock entrance using
facial recognition
Automatically call elevator



Parking lot

Unlock door using facial
recognition

Facilities linked to common space



Parcel delivery and mail box

Indication is shown if there
is a parcel and box is
unlocked automatically
using facial recognition



Elevator

Safe unlocking with facial
recognition
Automatically selects
residence floor

Private space



Unit door

Automatic unlock using
facial recognition

Possible to easily register facial information for residents and their families using app and lend “key” to friends, etc. for a specific time

DX Promotion
Business



DX Real Estate
Business

Residents



- Easily register facial information using app
- Easy to reregister

Family members living in same residence



- Can also use app to register facial information for family members who do not have smartphones
- Can view authentication log for family members

Family and friends



- Can “lend a key” to family members or friends for a specific time
- No need to be home to “lend a key” or when people visit

Japan's first key-free “all facial recognition condominium” - monitoring function

DX Promotion
Business



DX Real Estate
Business

Register family

Can easily take and update
photo of children's faces
with FreeiD app



Facial recognition at home

Provides greater peace of
mind and safety than
providing a physical key



Check authentication log

Check that child got home
safely using FreeiD app



High praise from residents, facial recognition will become a reason to choose an apartment

Q. Is facial recognition more convenient than conventional keys?

97% of residents gave a response that was at least equivalent to “Convenient”



Very convenient Convenient Inconvenient Very inconvenient



A. It's **very convenient** when both hands are occupied



A. I can open the door **even when I'm carrying something**



A. It's too convenient, I **never want to live in a house without it again!**



A. I realized that I spent **more time** managing my keys than I thought

n=323 (Survey of residents living in condominiums that have introduced FreeID conducted in October 2023)

Q. Do you want facial recognition at the next property you live in?

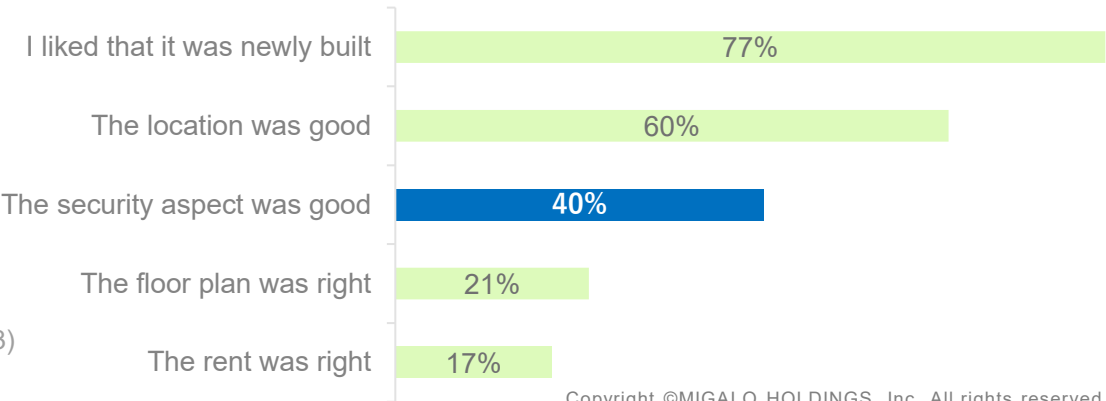
94% of residents responded that they want facial recognition at their next property



Strongly want Want Do not want Strongly do not want

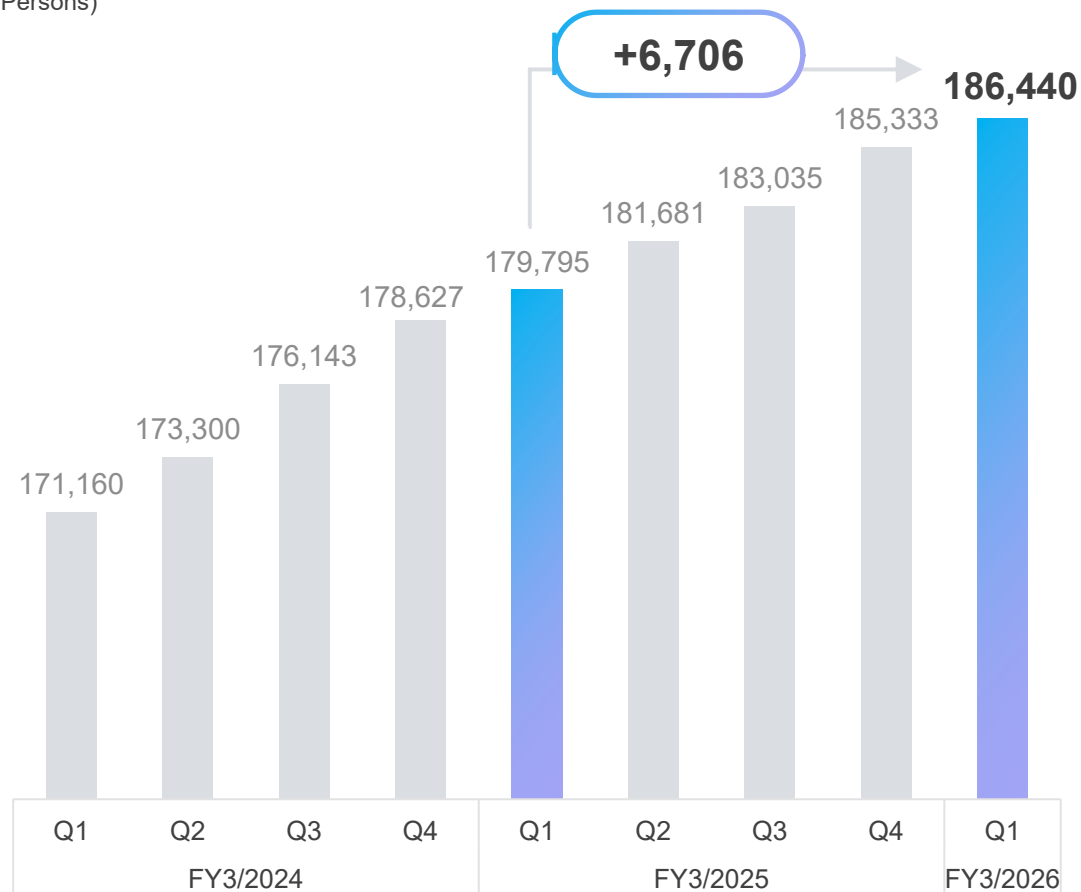
Q. What attracted you when you decided to move in?

Security with facial recognition was rated higher than floor plan or rental price



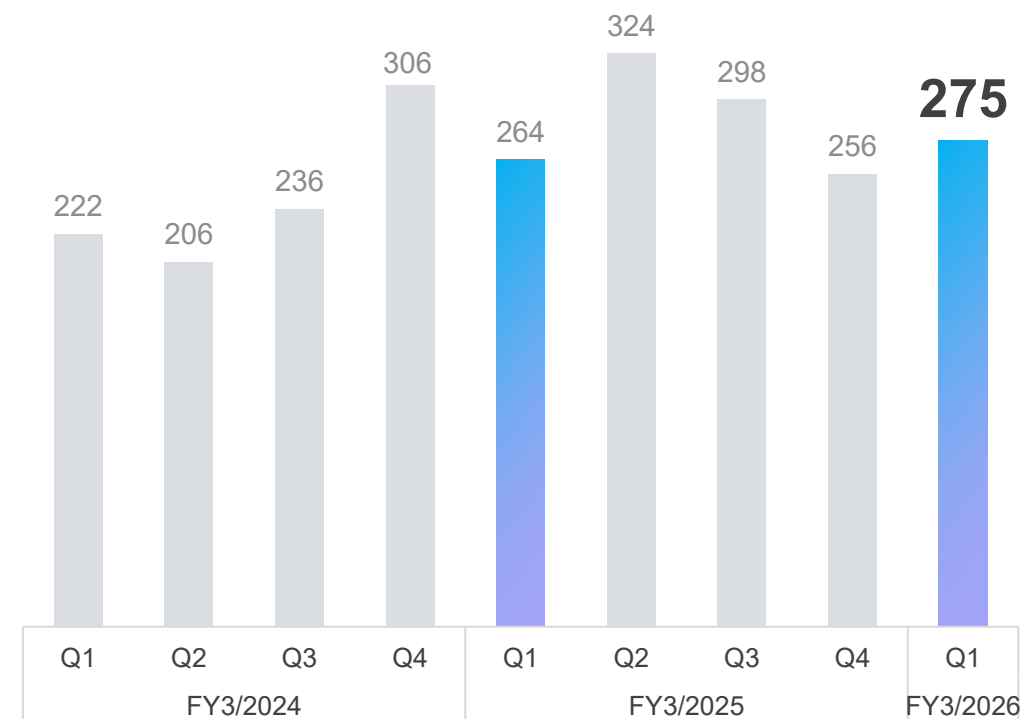
DX Real Estate members

(Persons)



Trend in the number of sales contracts

(Contracts)

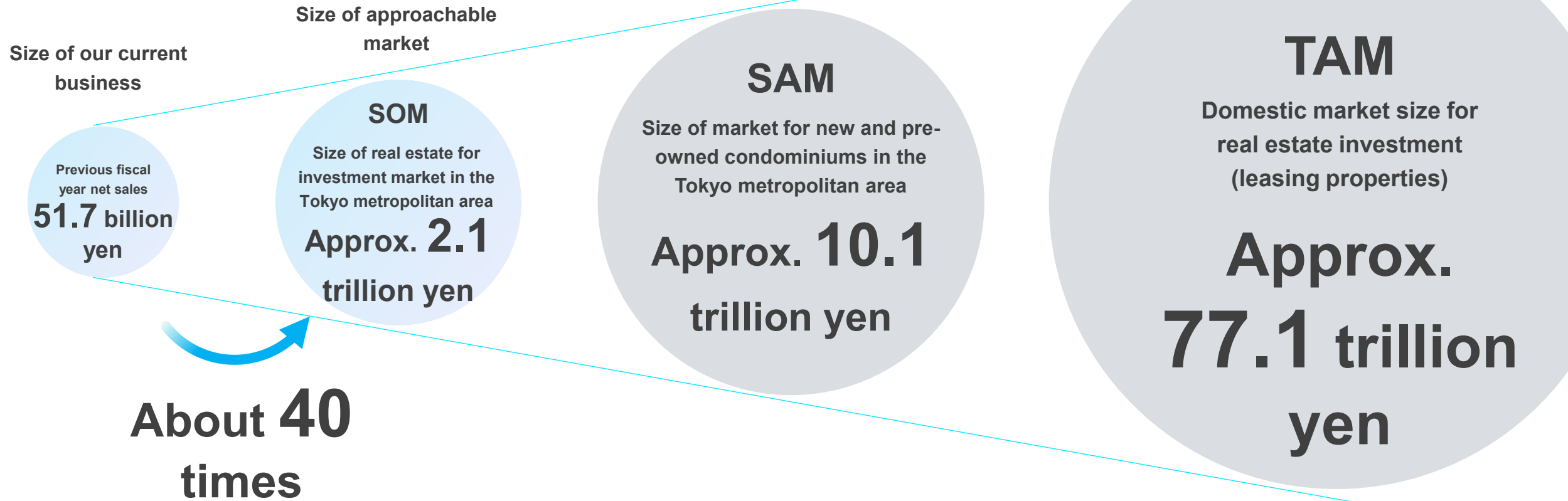


*From FY3/2025 Q1, the number of DX real estate member and sales contracts have been adjusted retroactively due to a change in the calculation method.

* The number of sales contracts is shown on a contract basis.

Market size

There is still room to expand the business because the size of the potential market is actually about 40 times that of the previous fiscal year's net sales. We are working to expand our share of the market through the development, sale, and management of real estate properties with the goal of achieving a net sales of 100 billion yen.

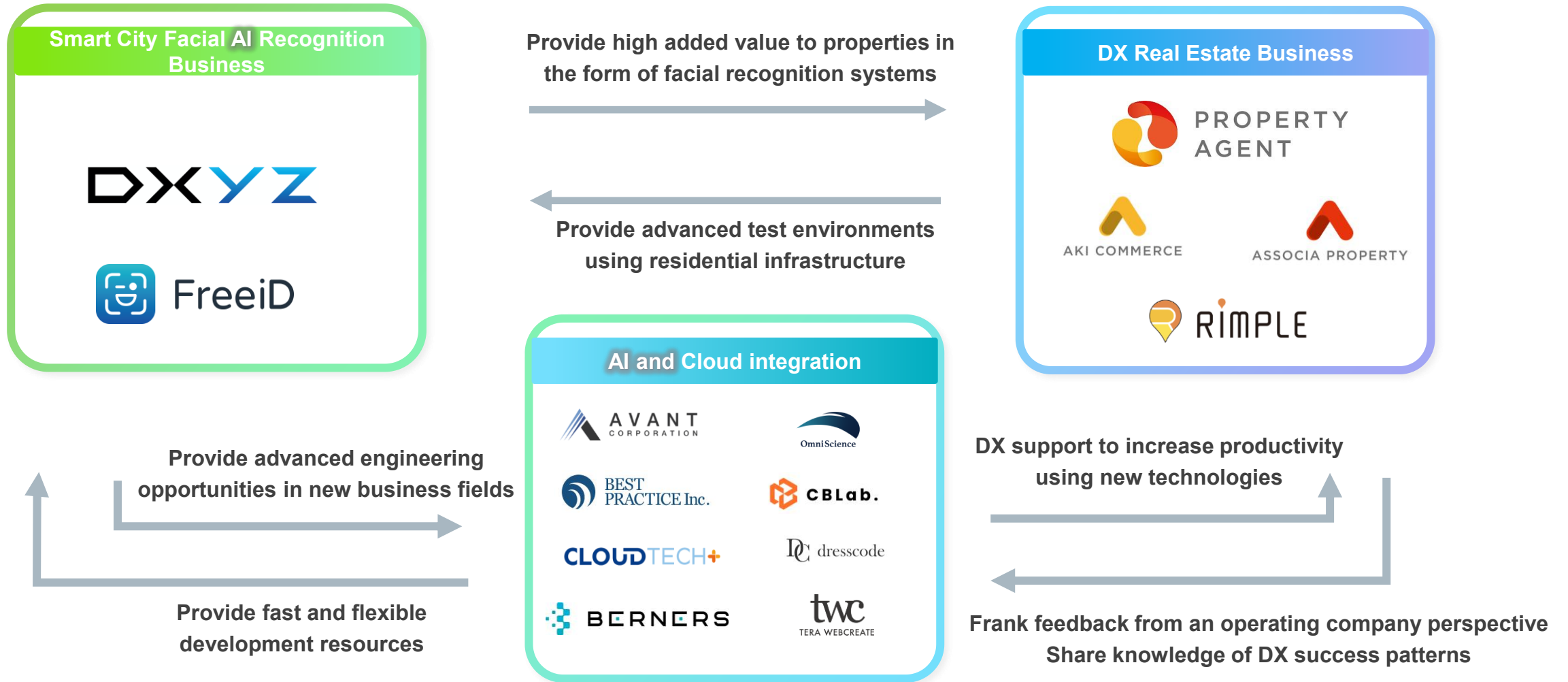


Source: NLI Research Institute, Real Estate Market Report "Japan real estate market size" (July 18, 2023) / Calculated from Statistics Bureau of the Ministry of Internal Affairs and Communications, "Survey of Service Industry Trends", May 2022 (preliminary),

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



Medium- to long-term growth target

Taking up the challenge of hitting the DX Promotion Business FY3/2027 net sales target of 5.0 billion yen a year ahead of target, in FY3/2026

If it becomes clear that we will **achieve the stretch target**, we will **consider offering shareholder benefits** for FY3/2026.




DX Promotion Business

Expand facial recognition
and cloud integration

DX Real Estate Business

Provide high-value-added
pre-owned condominiums
for investment purposes

DX Promotion Business

Net sales 
Expenses 
Total assets 

Investment period

DX Real Estate Business Net
sales FY3/2029

100.0 billion yen

DX Promotion Business net sales
FY3/2027

At least

5.0 billion yen

FY3/2021

FY3/2026

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

Strengthening human capital management (Project AXiS)



Towards achieving AI transformation with the human capital management strengthening project “AXiS”

- Leverage AI, maximize various aspects of value through AI × human capital, create new value - Using AI to take a zero-based approach to redesigning the whole value chain and achieving management that can provide new value to society.

We pursue the development of human resources who use AI to generate one new experience after another, and contribute to the creation of value in the shortest possible time.

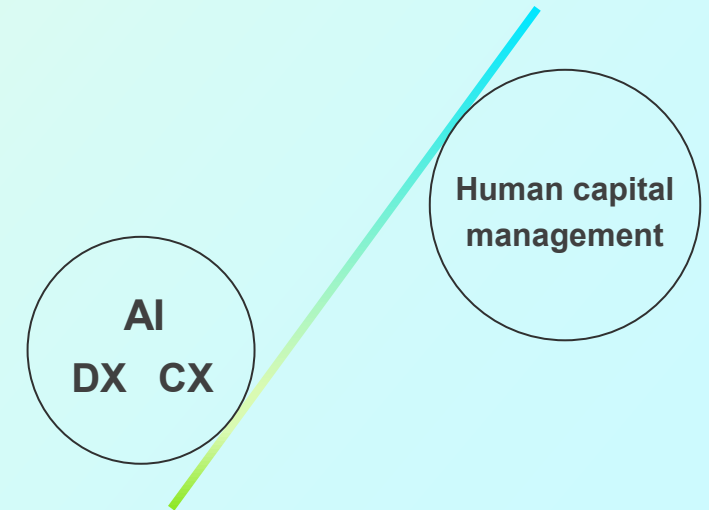
PJ AXiS - the axis that connects all individuals.

Productivity is maximized when AI and humans work in a co-creative relationship.

AXiS is a group-wide project for drawing out the potential of the organization based on the growth of AI (Artificial Intelligence) and individuals.

By using an integrated axis to connect pieces that at first glance appear scattered, it simultaneously generates productivity and creativity.

It is these common tangents that lie at the core of Migalo Holdings, and that accelerate the evolution of people and organizations.



Strengthening human capital management (Project AXiS)

We have established an AI campus for Migalo Group engineers

Seminars are held each month to achieve AI transformation for the Group business.

<Goals>

- Strengthen the connection throughout the Migalo Group.
- Improve service quality by promoting knowledge sharing.
- Strengthen competitiveness.
- Increase the productivity of the Group.

<Event details>

- Share cases of using AI and study the future possibilities.
- Discussion about AI people don't talk about now
- Actual development methods using AI
- Cases and actual examples of using generative AI in the sales and marketing domain

AIキャンパス
from Project AXiS
Migaloグループエンジニア向け
AIナレッジシェア&深化する会



▲ Photo shows a seminar for engineers.

5. News

Expansion of facial recognition-based payments

DX Promotion
Business

Summary of release

Facial recognition-based payment used at “Yuusuzumi Tanabata Marche” held at Kirishimajingu station in Kagoshima Prefecture by DXYZ Providing a demonstration of FreeiD Pay

- A demonstration of FreeiD Pay, the facial recognition-based payment service, was provided at the “Matatabi Marche - Yuusuzumi Tanabata Event” held around Kirishimajingu station from 4 to 8 PM on Saturday August 2, 2025.
- As part of its DX initiatives, IFOO implemented this demonstration during their event to improve consumer circulation around Kirishimajingu station with Wiz Co., Ltd. (Headquarters: Toshima-ku, Tokyo, President and Representative Director: Syun Yamazaki).



Overview of the use of FreeiD Pay, the facial recognition-based payment service, at the “Matatabi Marche - Yuusuzumi Tanabata Event”

- The “Matatabi Marche - Yuusuzumi Tanabata Event” is a regular summer event held in collaboration with local organizations, shopping districts, and the tourist association as a place where local and non-local people can gather to connect with the aim of providing an enjoyable experience for both locals and tourists. DXYZ provided a demonstration of FreeiD Pay, the facial recognition-based payment service, as a method of payment.

Condominiums x facial recognition

Summary of release

DXYZ's FreeiD was introduced in “Encrest Hakata EXCEED,” condominiums developed by eN Holdings.

This is the first time “All facial recognition condominium®” has been introduced by eN Holdings.

- “Encrest Hakata EXCEED” is a part of the Encrest condominiums series developed by eN Holdings under their own brand, which leads the way in condominium design in the center of Fukuoka City.
- The facial recognition platform FreeiD has been introduced at entrances, parcel delivery points, mail boxes, and on the premium floors (11th to 14th floor) for 32 units.
- This provides a convenience way for residents to enter and leave their condominiums even when their hands are full in combination with a high-level of security using cutting-edge facial recognition technology to respond to the needs of a diverse range of customers.

[Encrest Hakata EXCEED property overview]

Address: 2-chome 5-20 Sumiyoshi, Hakata-ku, Fukuoka City

Access: 5-minute walk from Kushida Shrine Station, Nanakuma

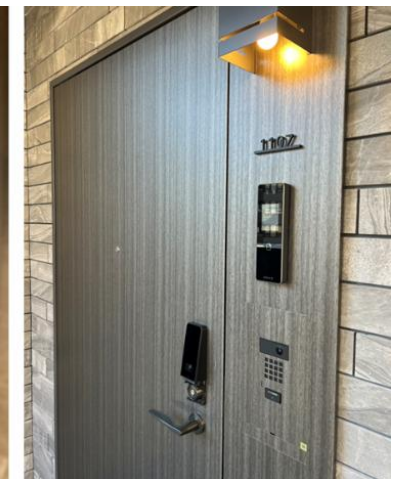
Line, Fukuoka City Subway, 12-minute walk from JR Hakata station, 3-minute walk from TereQ mae Nishitetsu bus stop

Structure: Reinforced concrete structure, 14 floors

Number of units: 176

Layout: 1R, 1LDK, 2LDK, 3LDK

Date of completion: July 31, 2025



Condominiums x facial recognition

Summary of release

DXYZ FreeiD introduced in the two newly constructed condominium buildings sold by A&C Real Estate

Shizuoka Prefecture's first*1 all facial recognition condominium®

- Avenir Toyoda and Avenir Matsubaracho, two newly constructed condominium buildings sold by A&C Real Estate, were built to provide residents with a satisfying and comfortable place to live. Avenir Toyoda is located in the Toyoda area of Suruga Ward in Shizuoka City, a residential area with mostly flat land and known for its safety and large number of families with small children. Avenir Matsubaracho is located in the Matsubaracho area of Shimizu Ward in Shizuoka City, a region blessed with a natural environment that provides substantial support for raising children.
- The facial recognition system FreeiD has been introduced in each residential unit, not just at the entrance of the building, making it Shizuoka's first*1 all facial recognition condominium.

[Avenir Toyoda property overview]

Address: Toyoda 1-chome, Suruga Ward, Shizuoka City
Access: Shizuoka Shimizu Line, Kasugacho Station,
20-minute walk
Number of condominiums: 23 units
Room layout: 1LDK, 2LDK and 3LDK
Date of completion: August 2025 (scheduled)
Date of resident occupancy: Beginning of September
2025 (scheduled)

[Avenir Matsubaracho property overview]

Address: Matsubara 237, Shimizu Ward, Shizuoka City
Access: Shizuoka Shimizu Line, Shin-Shimizu Station,
10-minute walk
Number of condominiums: 25 units
Room layout: 1LDK, 2LDK and 3LDK
Date of completion: End of January 2026 (scheduled)
Date of resident occupancy: Beginning of February
2026 (scheduled)



▲ Photo showing external view of Avenir Toyoda



▲ Image showing external view of Avenir Matsubaracho

Condominiums x facial recognition



Summary of release

DXYZ FreeiD introduced in Leaf City Ichikawa The Residence, a condominium complex developed by Keiyo Gas

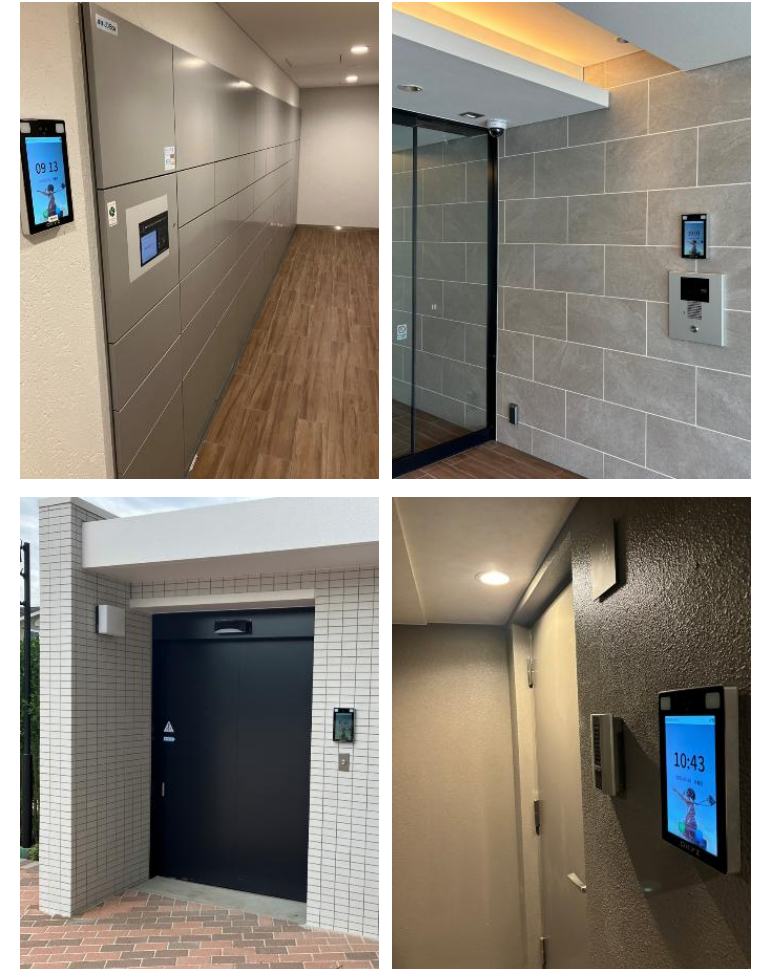
For the first time, DXYZ has introduced both the FreeiD condominium service and the FreeiD Reserve service in rental condominiums in Chiba Prefecture

- Keiyo Gas promotes the development of Leaf City Ichikawa, a mixed-use development based on the concept of “creating a rich green urban area centered on medium to high-rise urban housing”. Leaf City Ichikawa acquired the ZEH-M Oriented*¹ designation as a condominium complex with excellent heat insulation and efficient energy performance aimed at achieving a decarbonized society. It was also built with environmental concerns in mind, such as the ability to supply non-fossil fuel derived electricity, and was installed with solar power generators and storage batteries, and is even able to supply electricity to part of the building in the event of a power outage.
- The FreeiD facial recognition platform has now been introduced in a total of six locations at this property.

[Leaf City Ichikawa The Residence property overview]

Address: 2-9-12 Ichikawa-minami, Ichikawa City, Chiba Prefecture
Access: JR Sobu Line & Sobu Main Line, Ichikawa Station,
6-minute walk
Structure: Reinforced concrete, 9 floor building above ground

Number of condominiums: 235 units
Room layout: 1R, 1K, 1DK, 1LDK, 1LDK+S and 2LDK
Shared areas: Party room, work lounge, on-premise plaza
Date of completion: May 30, 2025



*¹ ZEH-M Oriented is a designation for condominiums that achieve significant energy savings while maintaining a comfortable indoor environment through the use of high heat insulation and high-efficiency equipment with the aim of reducing the primary energy consumption for the entire condominium complex by 20% or more.

Condominiums x facial recognition

Summary of release

DXYZ FreeiD introduced in Duo Flats Shinagawa Togoshi owned by Hoosiers Asset Management

This is the first time a facial recognition system has been introduced in a Hoosiers Asset Management property

- Duo Flats Shinagawa Togoshi is a popular area for people to live located in the residential area of Shinagawa City, Tokyo. In particular, Togoshi Ginza Shopping Street, located in front of the station, is one of the longest shopping streets in the Kanto region and covers a total distance of 1.3 km, boasting rows of around 400 stores along the shopping street.
- This property is scheduled to complete construction in August 2025, and has 13 floors above ground containing a total of 23 rental condominiums.
- FreeiD has been introduced at the entrance to this property. This achieves a comfortable lifestyle for residents.

[Duo Flats Shinagawa Togoshi property overview]

Address: 1-20 Hiratsuka, Shinagawa City (the following is TBD)
Access: Toei Asakusa Line, Togoshi Station, 4-minutes walk
Tokyu Ikegami Line, Togoshi-ginza Station, 7-minutes walk
Tokyu Oimachi Line, Togoshi-koen Station, 8-minutes walk

Number of condominiums: 23 units
Room layout: 1LDK and 2LDK
Date of completion: End of August 2025 (scheduled)
Date of resident occupancy: End of August 2025 (scheduled)



▲ External view (a computer-generated image of how the building is expected to look)



▲ A type 1LDK (virtual model room)

Condominiums x facial recognition

Summary of release



DXYZ FreeiD introduced for the first time in Japan as a product for Heartful Stage ready-built houses

Providing stronger security for detached houses by installing the system on entrance doors

- Heartful Stage is a wholly-owned subsidiary of the Heart Group and builds high quality housing that harmonizes with the local urban area based on the product concept of “a Shonan quality home that makes you want to invite people over”. The Heart Group is a group company of Ierista Holdings Co., Ltd., and has contributed to revitalizing regions centered on the Shonan area since it was first founded.
- The “Heartful Style Higashi-kaigan Minami 2-chome Project” concerns ready-built houses that were built in 2025 in Chigasaki City, Kanagawa Prefecture. It is a popular area for families raising small children because it provides substantial support for raising children, has great access to the city center, and is close to the sea and natural surroundings.
- Given the increasing awareness of home security among single-family homeowners, FreeiD has been introduced at the entrance to these properties.

[Heartful Style Higashi-kaigan Minami 2-chome Project (ready-built houses) property overview]

Address: 2-chome Higashi-kaigan Minami, Chigasaki City, Kanagawa Prefecture

Access: Tokaido Line, Chigasaki Station, 15-minutes walk

Date of completion: June 2025 (scheduled)



Condominiums x facial recognition

Summary of release

DXYZ FreeiD is now a standard feature of Blanc Shard rental condominiums

This system has been introduced to 20 buildings over the last 18 months since it was first introduced in Hokkaido

- Condominiums developed by Blanc Shard are designed for luxury and are distinct for their comfortable design even in the harsh conditions of Hokkaido, where the temperature can differ greatly between summer and winter. Blanc Shard has a particularly strong expertise in building unfinished concrete structures and seeks to create “buildings where people want to live” because of their high-grade and imposing exterior appearance.
- Introducing FreeiD not only provides residents with a comfortable lifestyle but also contributes to maximizing the intrinsic property value, which is highly regarded. The introduction of the system was decided via Diversity Network, Inc.
- In the future, Blanc Shard and our group company DXYZ will continue to promote the provision of high comfort by improving lifestyle comfort and high-quality design through future developments that use FreeiD.



*Photos are for illustration purposes only



Properties from Blanc Shard where FreeiD has been introduced

- | | |
|-----------------------------------|--------------------------------------|
| • Blanc Shard ALAIN Nishimachi | • Blanc Shard CN Hibarigaoka |
| • Blanc Shard Nakajimakoen HD | • Blanc Shard TsCOURT Hassamu |
| • Blanc Shard AS Nakajimakoen | • Blanc Shard TsCOURT Toyohira |
| • Blanc Shard AS Asabu | • Blanc Shard TsCOURT Asabu |
| • Blanc Shard AS Hibarigaoka | • Blanc Shard Trinity Miyanosawa |
| • Blanc Shard KT&Y Asabu | • Blanc Shard CHATELET Kotoni |
| • Blanc Shard Ts COURT Soen | • Blanc Shard EK Nango-dori 18-chome |
| • Blanc Shard Miyanosawa WEST | • Blanc Shard AS Kita 16-jo N |
| • Blanc Shard NAKAJIMA PARK FRONT | • Blanc Shard AS Kita 16-jo S |
| • Blanc Shard Idaimae | |
| • Blanc Shard EK Asabu | |

* Properties are listed in the order that FreeiD was introduced

Office x facial recognition

Summary of release

DXYZ FreeiD introduced in the head office of IDEX Business Service, a group company of Shin-Idemitsu

The system was introduced to a live office where proposals for “evolving work styles” are made

- IDEX Business Service, a group company of Shin-Idemitsu, develops services such as office renovation and ICT support.
- In 2024, FreeiD was introduced to Lexington Square Shirokane, a rental condominium owned by Shin-Idemitsu. After its introduction, FreeiD was highly praised by residents. Shin-Idemitsu then decided to introduce this system in offices belonging to IDEX Business Service, their group company.
- FreeiD was installed at a total of three locations, at the two entrances to their head office and at the door to the President’s office. After registering the faces of allowed personnel just one time, the system can be linked to various forms of facial recognition AI engines and devices. This makes it more convenient and maintains security by providing the best facial recognition AI engine and device for each situation of use.



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If you would like a **live office tour** where you can experience the latest solutions, including FreeiD, please apply from the website shown below.

▶ <https://wakurino.work/liveoffice/>

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