



To worthwhile life

Materials for the Briefing Session on the Financial Results for the Second Quarter of the Fiscal Year Ending June 30, 2024

**Japan Living Warranty Inc.
February 9, 2024
The Tokyo Stock Exchange
Growth Market (7320)**

We have prepared this document solely for the purpose of offering general information about Japan Living Warranty Inc. (hereinafter referred to as “the Company”), and not for the purpose of soliciting investment in shares or other securities of the Company. The Company’s financial results, plans, estimates, forecasts, and other information pertaining to the future stated in this document are information currently available or the Company’s current judgment and thinking, and contain uncertainties that could lead in effect to the results being different from such descriptions. This document has been prepared based on current general economic, social, and other conditions, and may be altered without any notice for reasons such as changes in the economic situation. The Company exercised extreme caution in preparing the content of this document, but please be careful about the possibility of misrepresentation of information.

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Record high net sales and profits/ Operating profit up 160% YoY

Our two major businesses are making steady progress, and achieved record high net sales and profits for FY2024 Q2 (cumulative)

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Upward revision to full-year earnings forecast/ Operating profit to 1.0 billion yen for the first time

Our full-year forecasts for both net sales and profits were revised upward based on strong business performance trends

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Unearned revenue, which is future confirmed sales, exceeded 10 billion yen

Unearned revenue (=total value of “unearned revenue + long-term unearned revenue,” which is unrecorded sales for the HWT business) exceeded the 10 billion mark

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Addressing labor shortages in the housing industry/ Started offering “Ouchi bot”

Successful value-added services such as SaaS led to steady progress in acquiring new warranty contracts

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Promoting the utilization of used storage batteries/ Started providing services to Nitto Kogyo Corporation

First in Japan: Started providing a service for storage battery systems that utilized reused EV batteries, thereby expanding the renewable energy field

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Summary of Financial Results for Q2 FY2024

Record high net sales and profits/ Significant 160% YoY increase in profits

- Both of our two major businesses are showing steady growth, with both net sales and profits reaching record highs in the first half of the fiscal year
- Operating income and ordinary income increased significantly by over 160% YoY
- As a result, we have significantly exceeded the half-year figures that we released
- The full-year performance forecast has been revised upwards due to the extremely favorable progress against the full-year figures that we released

*Details reported in the following page.

	Q2 FY2024 (2023.7~2023.12)	Q2 FY2023 (2022.7~2022.12)	YoY		Progress to half-year plan
Net sales	2,295 Millions of yen	1,744 Millions of yen	+ 550 Millions of yen	131.6%	104.8%
Operating profit	537 Millions of yen	330 Millions of yen	+ 207 Millions of yen	162.8%	137.8%
Ordinary profit	651 Millions of yen	402 Millions of yen	+ 248 Millions of yen	161.8%	133.0%
Net income attributable to parent company shareholders	444 Millions of yen	276 Millions of yen	+ 167 Millions of yen	160.7%	141.6%

FY2024 Full-Year Results Forecast

- Based on the half-year results trends, the full-year consolidated results forecast was revised upwards
- We got off to a good start toward the Medium-Term Management Plan* commencing in FY2024

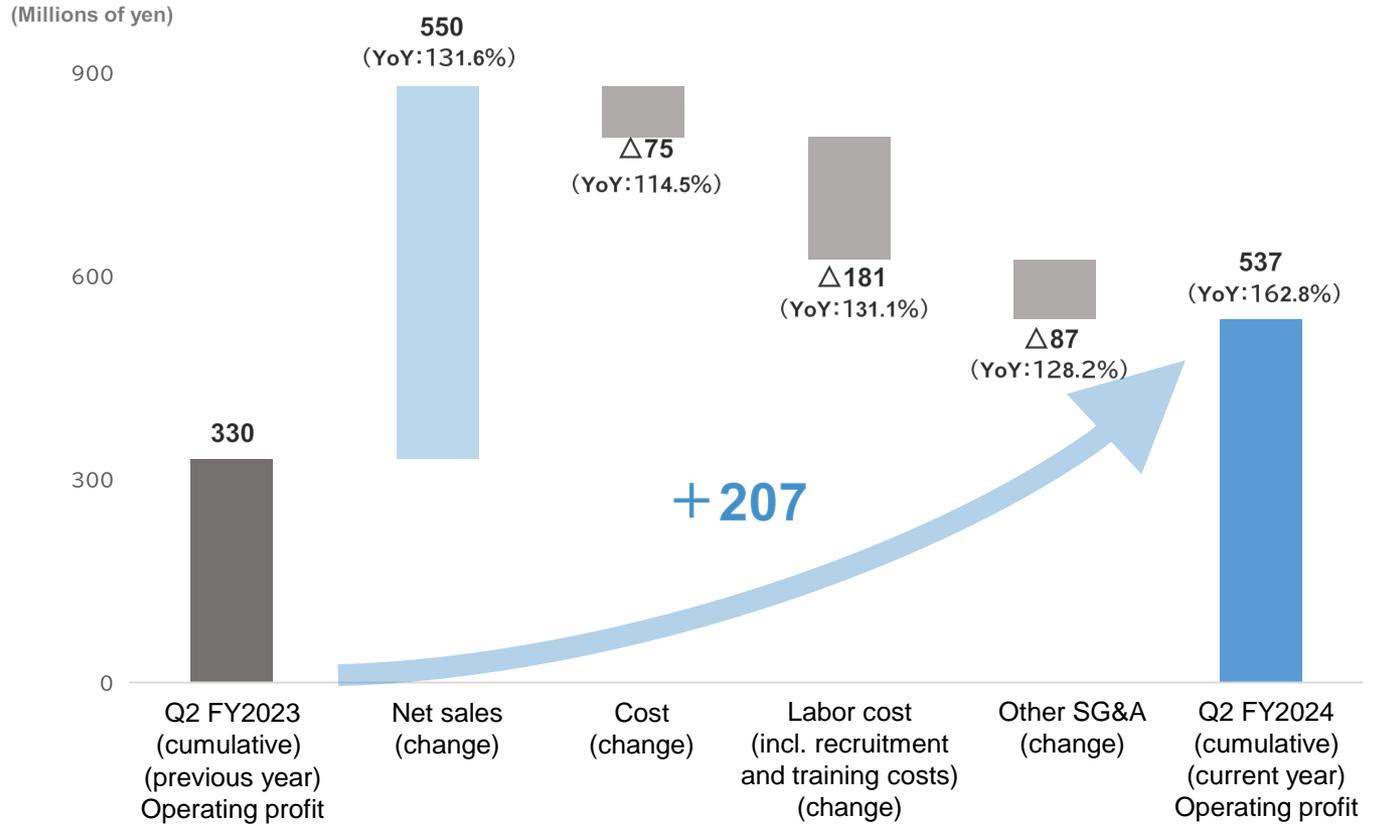
*See Page 20 for details

Upward revision of full-year forecast based on strong performance in the first half

	<Old>		<New>	Adjustment
	FY2024 Full-Year (2023.7~2024.6) Consolidated results forecast		FY2024 Full-Year (2023.7~2024.6) Consolidated results forecast	
Net sales	4,820 Millions of yen		4,930 Millions of yen	+110 Millions of yen
HWT business	2,871 Millions of yen		2,936 Millions of yen	+65 Millions of yen
EXT business	1,929 Millions of yen		1,975 Millions of yen	+46 Millions of yen
Other	19 Millions of yen		19 Millions of yen	+0 Millions of yen
Operating profit	840 Millions of yen		1,000 Millions of yen	+160 Millions of yen
Ordinary profit	1,060 Millions of yen		1,220 Millions of yen	+160 Millions of yen
Net income attributable to parent company shareholders	779 Millions of yen		896 Millions of yen	+117 Millions of yen

Analysis of Q2 FY2024 (cumulative) Consolidated Operating Profit

Robust net sales growth and growth of highly-profitable products/Success in improving operational efficiency



- Net sales recorded a significant increase of 131.6% YoY thanks to robust financial results of the two main businesses
- In parallel with the progress in net sales, growth in highly profitable services and improved operational efficiency (including a shift to digital) contributed to a significant increase in profits
- Consequently, operating profit amounted to 162.8% of the previous year's operating profit

Q2 FY2024 Consolidated P/L

Large improvements in current profit margins while strengthening mid- to long-term growth investment

(Millions of yen)	Q2 FY2023	Q2 FY2024	Change	YoY
Net sales	1,744	2,295	551	131.6%
Cost of sales	523	599	75	114.5%
Gross profit on sales	1,220	1,696	476	139.0%
Gross margin on sales	70.0%	73.9%	-	-
SG&A	890	1,158	268	130.1%
(Breakdown: Labor cost (incl. recruitment and training costs))	(585)	(767)	(181)	131.1%
Operating profit	330	537	207	162.8%
Operating profit margin	18.9%	23.4%	-	-
Ordinary profit	402	651	249	161.8%
Ordinary profit margin	23.1%	28.4%	-	-
Profit attributable to owners of parent	276	444	168	160.7%

Mid- to long-term growth investments

Improving current profit margins

- Growth investment in accordance with the Medium-Term Management Plan, particularly aggressive digital and human resources investment, progressed as planned
- Growth in highly-profitable services, as well as increased efficiency (including a shift to digital), contributed to improved profit margins
- We are continuing to promote management with both short-term and mid- to-long term commitments

Summary of Q2 FY2024 Consolidated Financial Results [Net Sales by Segment]

Significant YoY growth for both major businesses, exceeding our plans

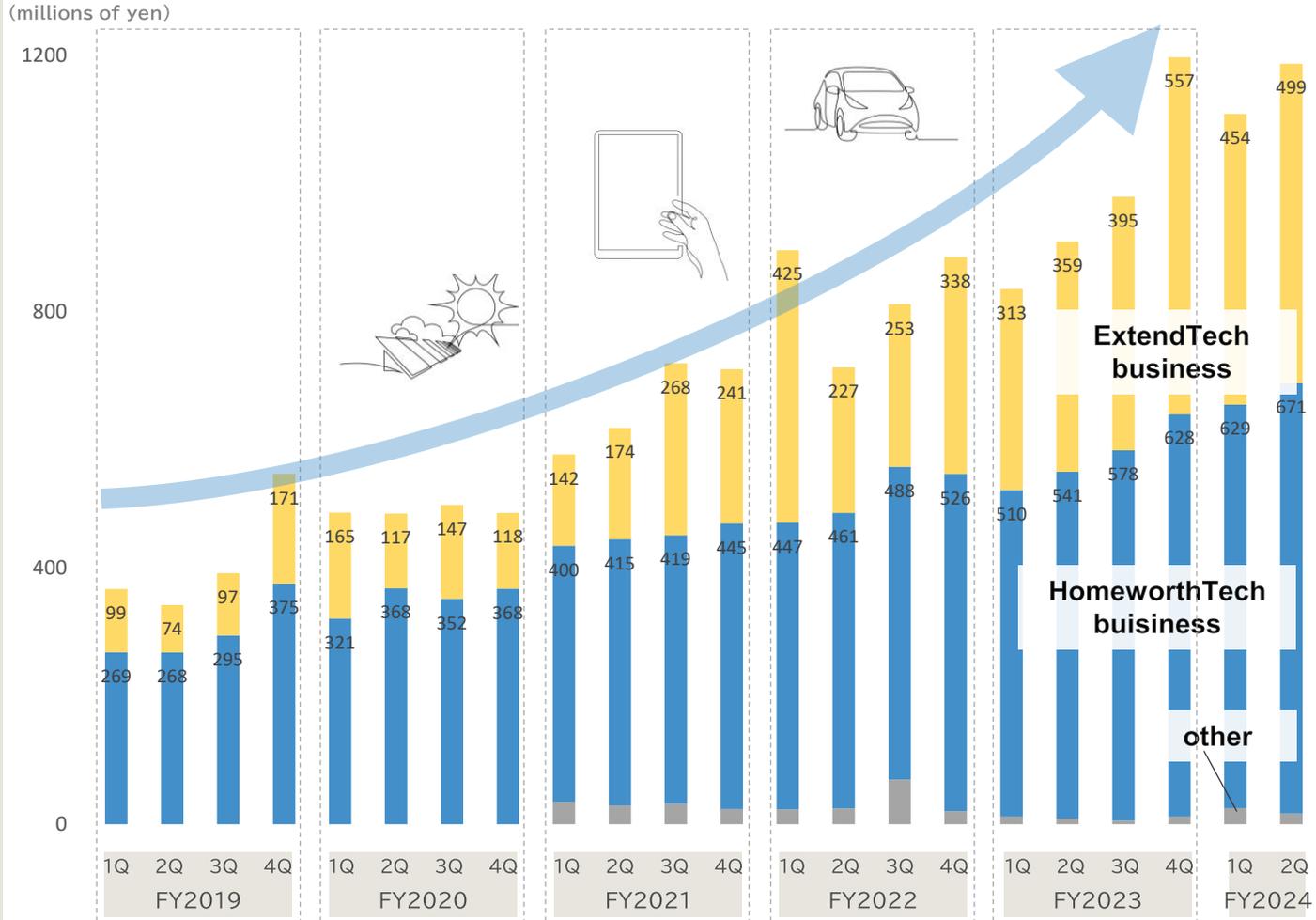
- In the HWT business, continuing efforts from the previous fiscal year to provide added value, such as SaaS, were successful, and progress was made on various warranty services
- The EXT business saw continued smooth progress, centered around renewable energy equipment such as storage batteries, which have high social needs
- As a result, both major businesses made significant YoY progress

	Q2 FY2024 (2023.7~2023.12)			
		Q2 FY2023 (2022.7~2022.12)	YoY	
Net sales	2,295 Millions of yen	1,744 Millions of yen	+ 550 Millions of yen	131.6%
Homeworth Tech business	1,300 Millions of yen	1,051 Millions of yen	+ 249 Millions of yen	123.8%
ExtendTech business	952 Millions of yen	672 Millions of yen	+ 280 Millions of yen	141.7%
Other	41 Millions of yen	20 Millions of yen	+ 20 Millions of yen	199.3%

Trends of Consolidated Net Sales [By Segment]

Both businesses continued sequential and stable growth

- Both businesses continued sequential and stable growth.
- Together with the steady growth of the HWT business, the EXT business has grown to be a main pillar of the Company's operations by capturing social needs.
- The HWT business continued to expand and deeply cultivate the markets by introducing new warranty services and SaaS products one after another in the housing area.
- The EXT business continued to cultivate the renewable energy area, which have high social needs, and develop the new warranty markets.



Summary of Q2 FY2024 Consolidated Financial Results [Profit/Loss by Segment]

**Steadily accumulating profits in the EXT business,
centered around renewable energy equipment warranties**

[EXT business]

- The EXT business accumulated profits exceeding our plans, led by the development of warranty services for renewable energy equipment, such as storage batteries, which have high social needs

[HWT business]

- We have strengthened investment to achieve the Medium-Term Management Plan, profit levels are in line with the initial plan, and we expect to achieve the full-year plan

*See the next page for details on the accounting structure for the HWT business

	Q2 FY2024 (2023.7~2023.12)	Q2 FY2023 (2022.7~2022.12)	YoY	
Operating profit/loss	537 Millions of yen	330 Millions of yen	+207 Millions of yen	162.8%
Homeworth Tech Business	39 Millions of yen	76 Millions of yen	△36 Millions of yen	52.0%
ExtendTech Business	503 Millions of yen	266 Millions of yen	+237 Millions of yen	189.0%
Other	△6 Millions of yen	△12 Millions of yen	+6 Millions of yen	—

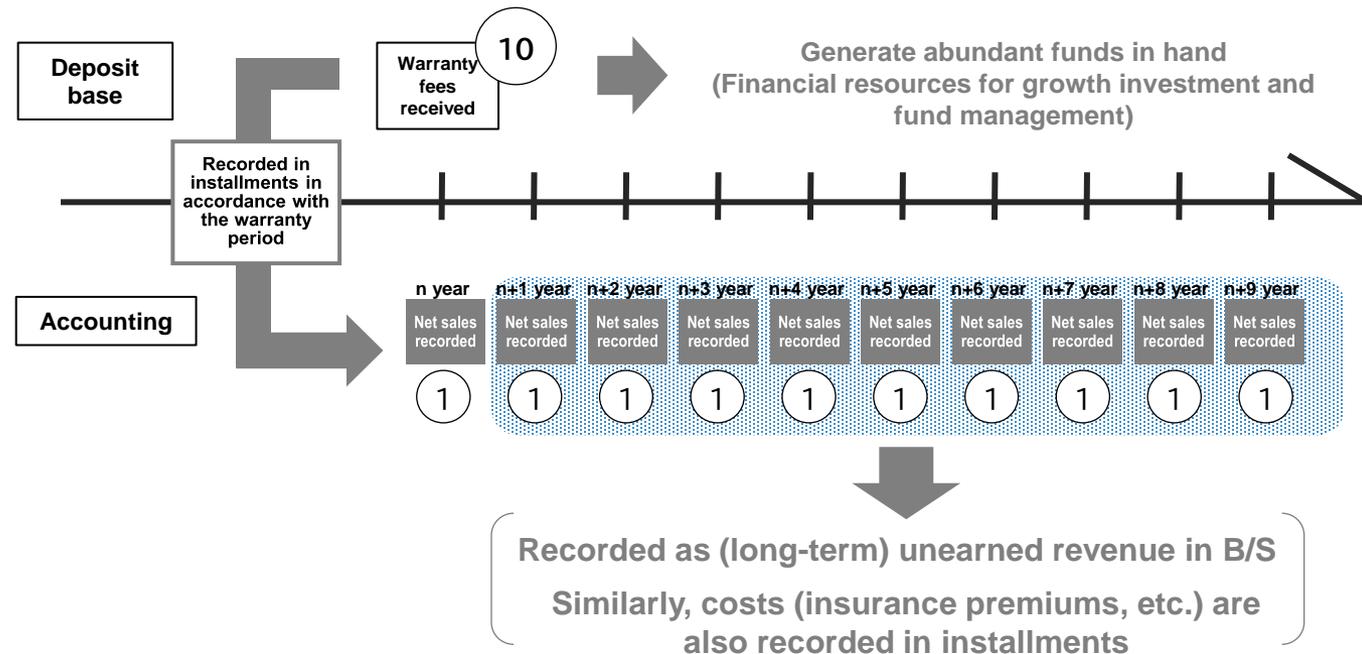
Accounting Treatment Structure of Long-term Warranty Contracts

~ HomeworthTech business ~

- With respect to long-term warranty contracts in the HomeworthTech business, while net sales and costs are recorded on a pro rata basis in accordance with the warranty period, selling, general and administrative expenses are recorded en bloc, making the Company's earnings structure into one that tends to see profits squeezed in the expansion stage of business.
- The maturing of business (an increase in an outstanding balance of warranty contracts) has turned it into the long-term stable earning structure.
- Long-term warranty contracts generate abundant funds in hand as warranty fees are obtained en bloc at the time of conclusion of contracts.
- Abundant funds arising from long-term warranty contracts can be used for proactive growth investment and asset management.

Long-term warranty services have the structure that tends to see profits squeezed in the expansion stage of business due to accounting treatment

(Example) the case where warranty fees for the 10-year equipment warranty are received en bloc in the n year.



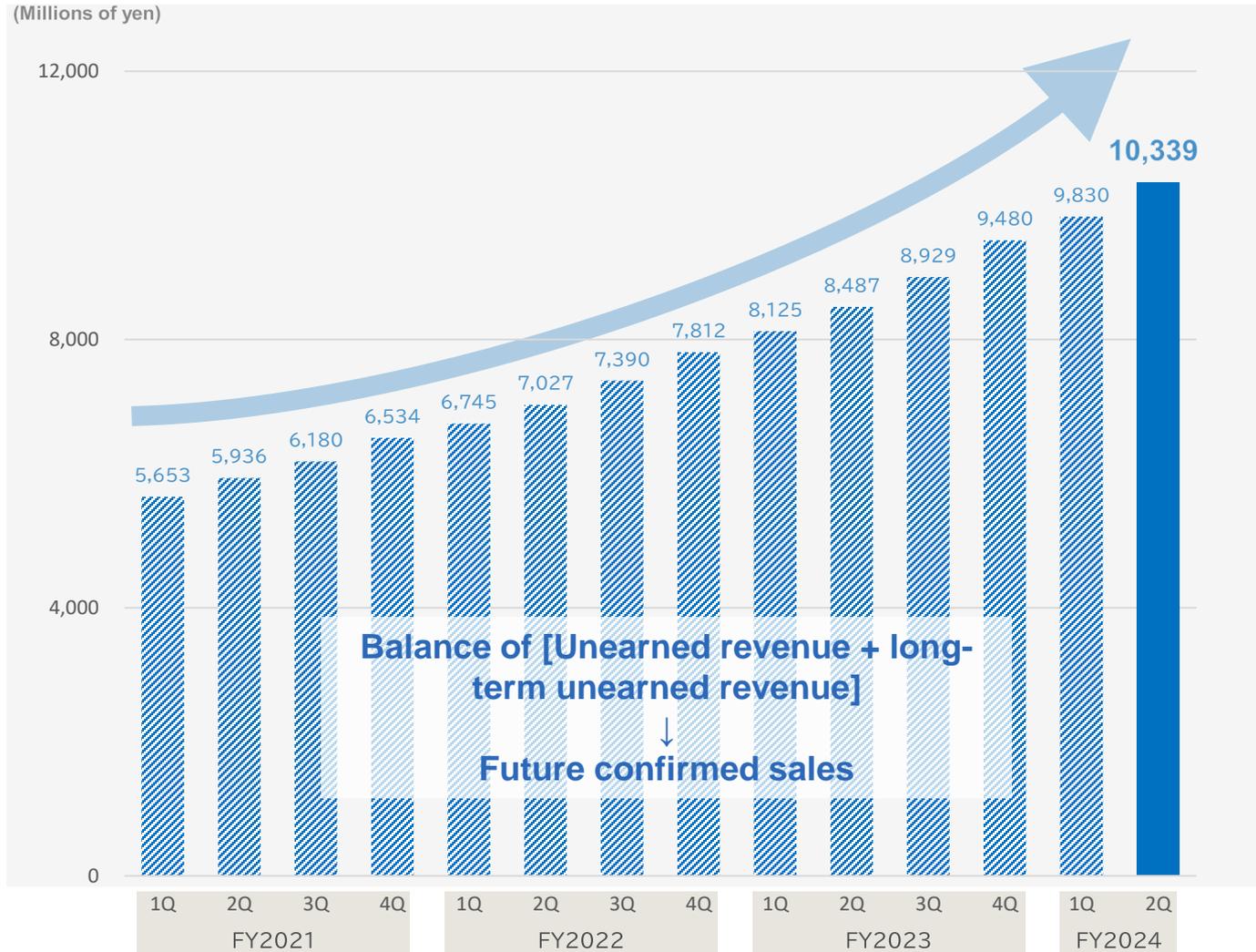
Trends in unearned revenue*

[HWT business]

- Unearned revenue,* positioned as a major KPI for the HWT business, topped 10 billion yen at the end of the current quarter
- Of warranty fee revenues, those not yet recorded as net sales were recorded as unearned revenue + long-term unearned revenue on the balance sheet
- Unearned revenue* means definite net sales over the future, and thus the balance will be recorded as net sales sequentially to underpin future profitability

Unearned revenue, or unrecorded sales, has steadily accumulated and now exceeds 10 billion yen

*Total value of "unearned revenue + long-term unearned revenue," which corresponds to unrecorded sales for the HWT business



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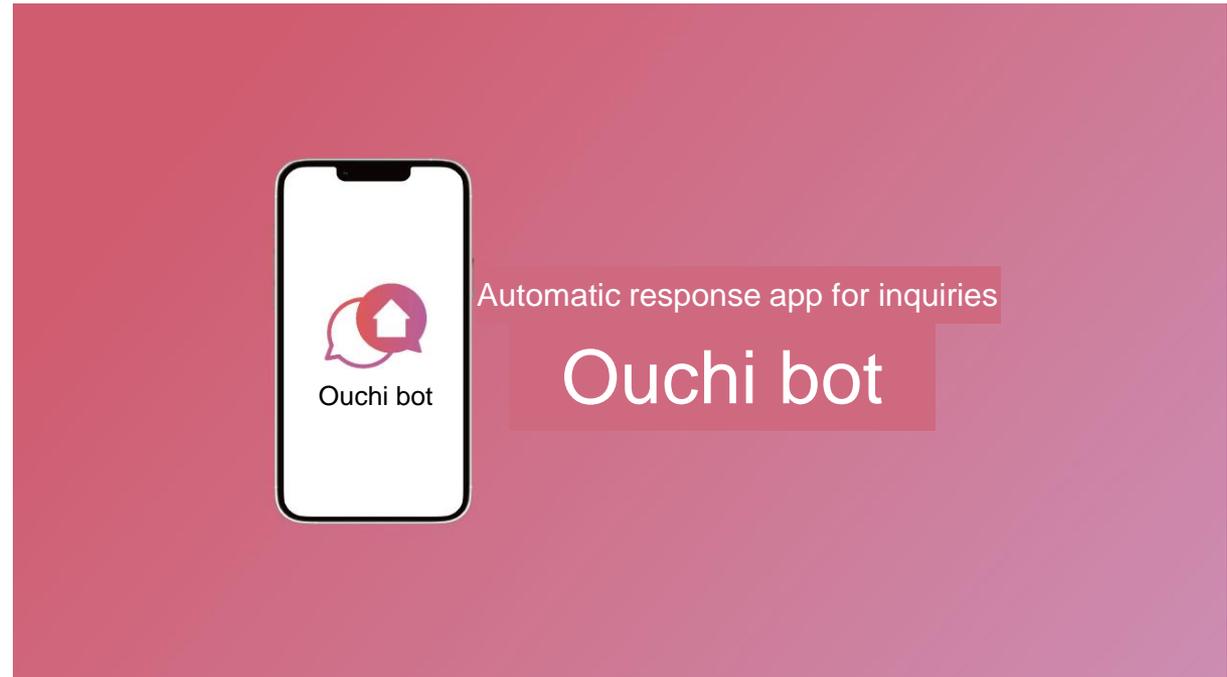
05 Investment Highlight

Topics ①

Started offering Ouchi bot [HWT business]

- Launched "Ouchi bot" in December 2023 as a tool to help housing businesses improve their operational efficiency
- Ouchi bot is an automated response tool that automatically receives and dispatches inquiries from homeowners to streamline reception operations
- It will help eliminate labor shortages in the housing industry and was developed by combining our know-how in handling inquiries, which we have cultivated through many years of after-sales service support
- We will promote the acquisition of various warranty contracts by providing added value such as SaaS with Ouchi bot

Addressing industry labor shortages, and supporting housing business operators in improving operational efficiency



[For more information, see our December 20, 2023 press release](#)

Topics ②

Expanding renewable energy equipment warranties [EXT business]

- Started providing services to Nitto Kogyo for the "ESS Warranty System," which was launched in September 2023
- This is Japan's first 10-year warranty service for an industrial solar power battery storage system utilizing reused EV batteries for on-site power consumption
- Alongside the spread of BEVs, battery disposal issues have become a social problem, and this highly socially significant system was developed to promote the utilization of reused batteries

Started providing a 10-year warranty for Japan's first "industrial solar power battery storage system utilizing reused EV batteries for on-site power consumption"



**SUSTAINABLE
DEVELOPMENT
GOALS**

[For more information, see our December 5, 2023 press release](#)

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We expect to achieve 1 billion yen in operating profit and consequential higher profits on higher net sales since the Company's exchange listing

Consolidated Financial Results Estimate for the Fiscal Year Ending in June 2024

- As mentioned previously, each of the numerical values in our estimate have been revised upwards
- We estimate an all-time high and consequential higher profits on higher net sales since the exchange listing
- Operating profit is estimated to reach 1 billion yen YoY while we continue investment in the digital domain, as we did in the previous fiscal year, toward realizing the Medium-Term Plan goals

	FY2024 (2023.7~2024.6)			
		FY2023 (2022.7~2023.6)	YoY	
Net sales	4,930 Millions of yen	3,919 Millions of yen	+ 1,011 Millions of yen	125.8%
Operating profit	1,000 Millions of yen	741 Millions of yen	+ 259 Millions of yen	134.8%
Ordinary profit	1,220 Millions of yen	1,021 Millions of yen	+ 199 Millions of yen	119.5%
Profit attributable to owners of parent	896 Millions of yen	751 Millions of yen	+ 145 Millions of yen	119.3%

Consolidated Financial Results Estimate for the Fiscal Year Ending in June 2024
[Net Sales by Segment]

We expect to record all-time high net sales for both businesses by capturing market needs

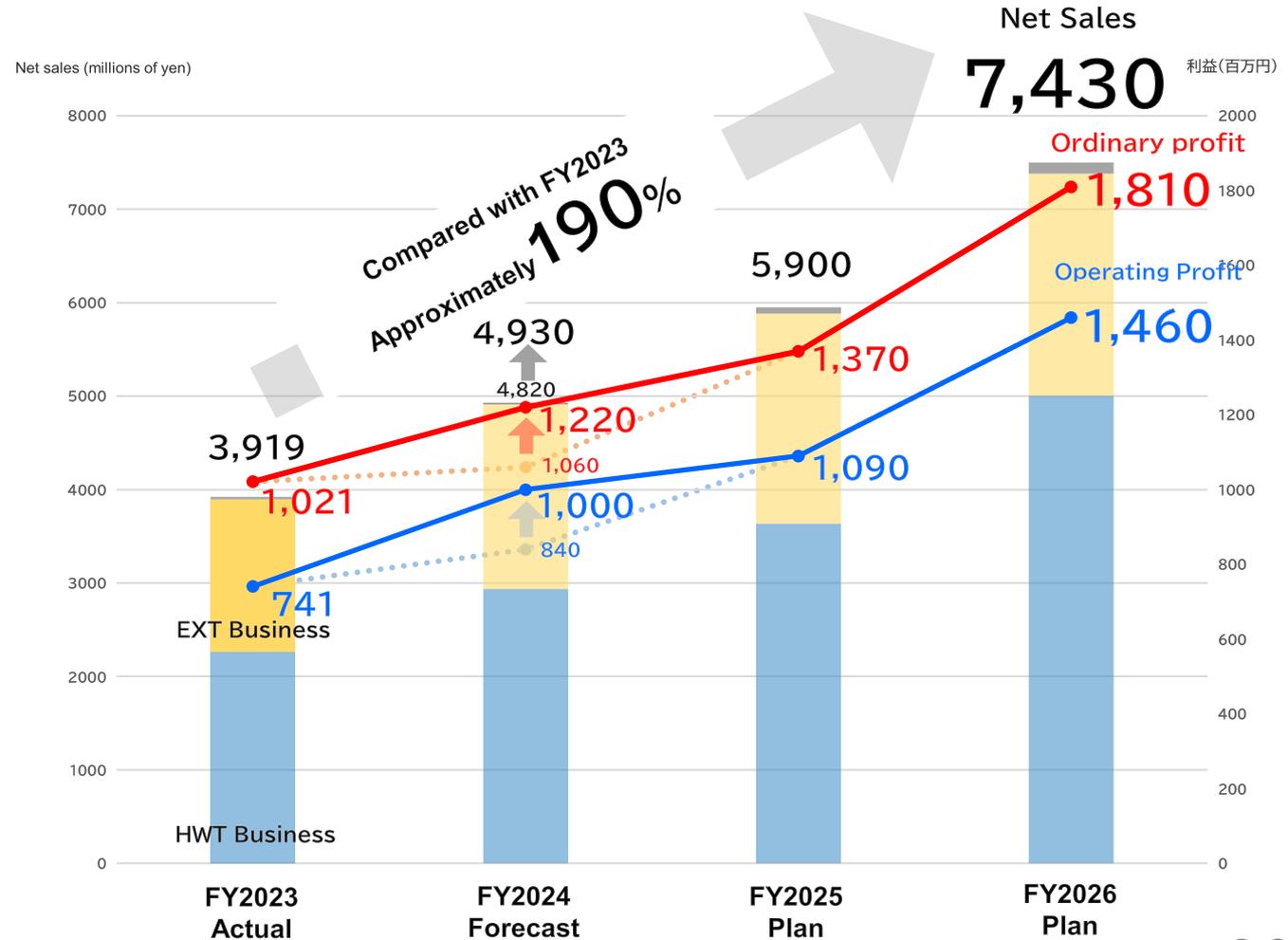
- We estimate all-time high net sales for the two main businesses.
- The HomeworthTech business is expected to record a 130.1% rise in net sales thanks to progress in the new core service of building warranty on top of equipment warranty.
- The ExtendTech business is expected to record a 121.6% rise in net sales thanks to continued progress in the renewable energy area with high social needs.

	June 2024 (2023.7~2024.6)		YoY	
		June 2023 (2022.7~2023.6)		
Net sales	4,930 Millions of yen	3,919 Millions of yen	+1,011 Millions of yen	125.8%
Homeworth Tech business	2,936 Millions of yen	2,256 Millions of yen	+680 Millions of yen	130.1%
ExtendTech business	1,975 Millions of yen	1,624 Millions of yen	+351 Millions of yen	121.6%
Other	19 Millions of yen	38 Millions of yen	△19 Millions of yen	50.0%

Medium-Term Plan [Net Sales / Profit]

We plan to double both net sales and profits by focusing on the building warranties and the renewable energy equipment warranties

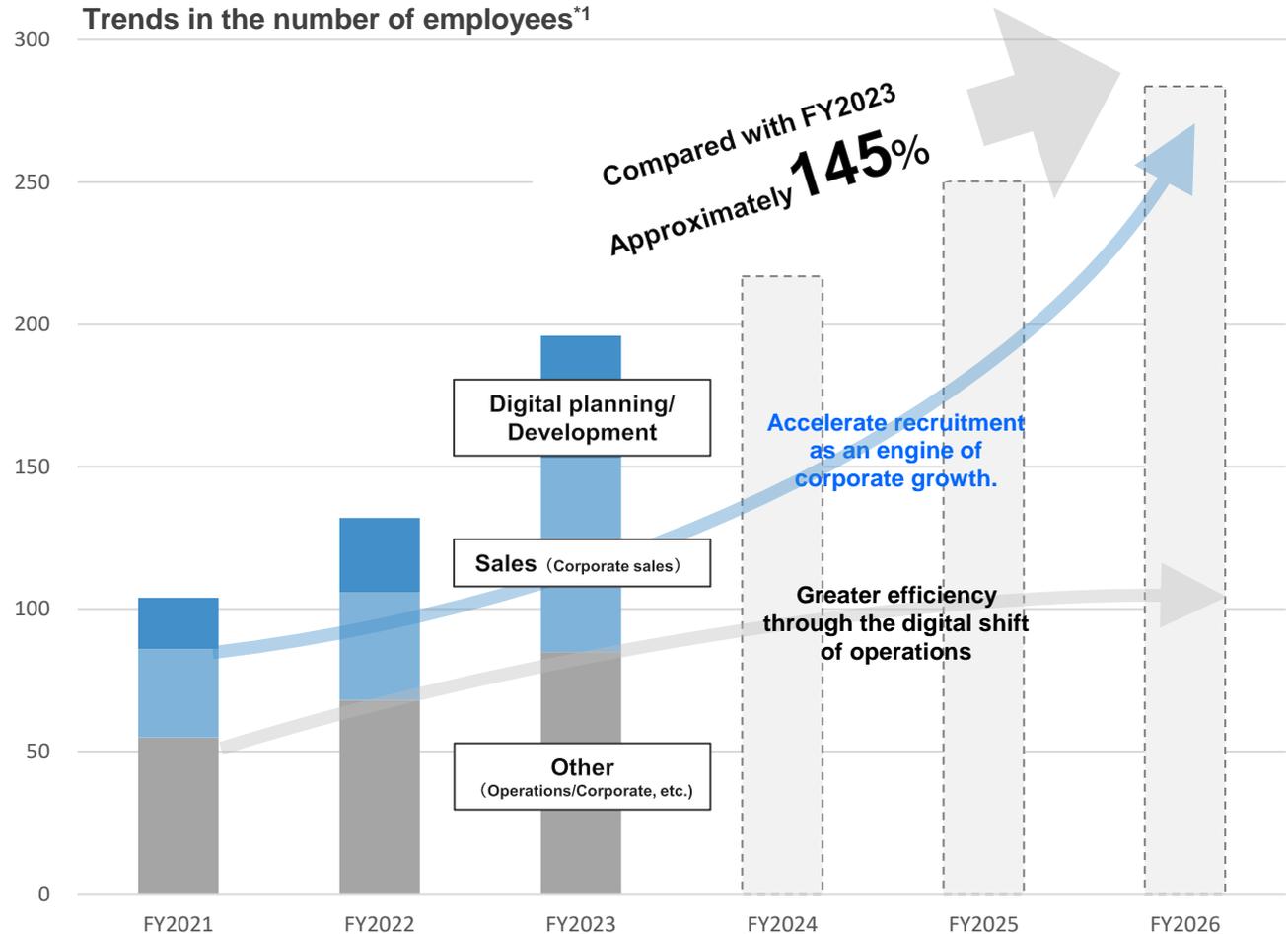
- In the wake of the increasing probability of the growth strategy, we announced a three-year financial results plan, in addition to the current year (the fiscal year ending in June 2024).
- We plan to roughly double both net sales and profits by mainly focusing on the building warranties in the HWT Business and the renewable energy equipment warranties in the EXT Business.
- We will establish the Company's unshakable positioning in the warranty business by providing SaaS as an added value.
- We plan to appropriate profits accumulated in both businesses for investment in long-term growth.
- Regarding plans for next year and beyond, we leave it for now



Trends in the Number of Employees / Recruitment Strategy

- In recent years, we have been promoting and accelerating the recruitment of human resources for corporate sales/digital planning and development, towards balancing the short-term warranty market expansion and the long-term corporate growth.
- In particular, we succeeded in recruiting enough digital human resources to significantly surpass our target for the establishment of the digital strategy promotion headquarters amid the tough recruitment environment.
- On the other hand, we plan to strive for greater efficiency in the operations division, etc. through the proactive shift to digitalizing operations.
- We plan to expand our organizational structure by 145% over FY2023 by the final year of the Medium-Term Plan.

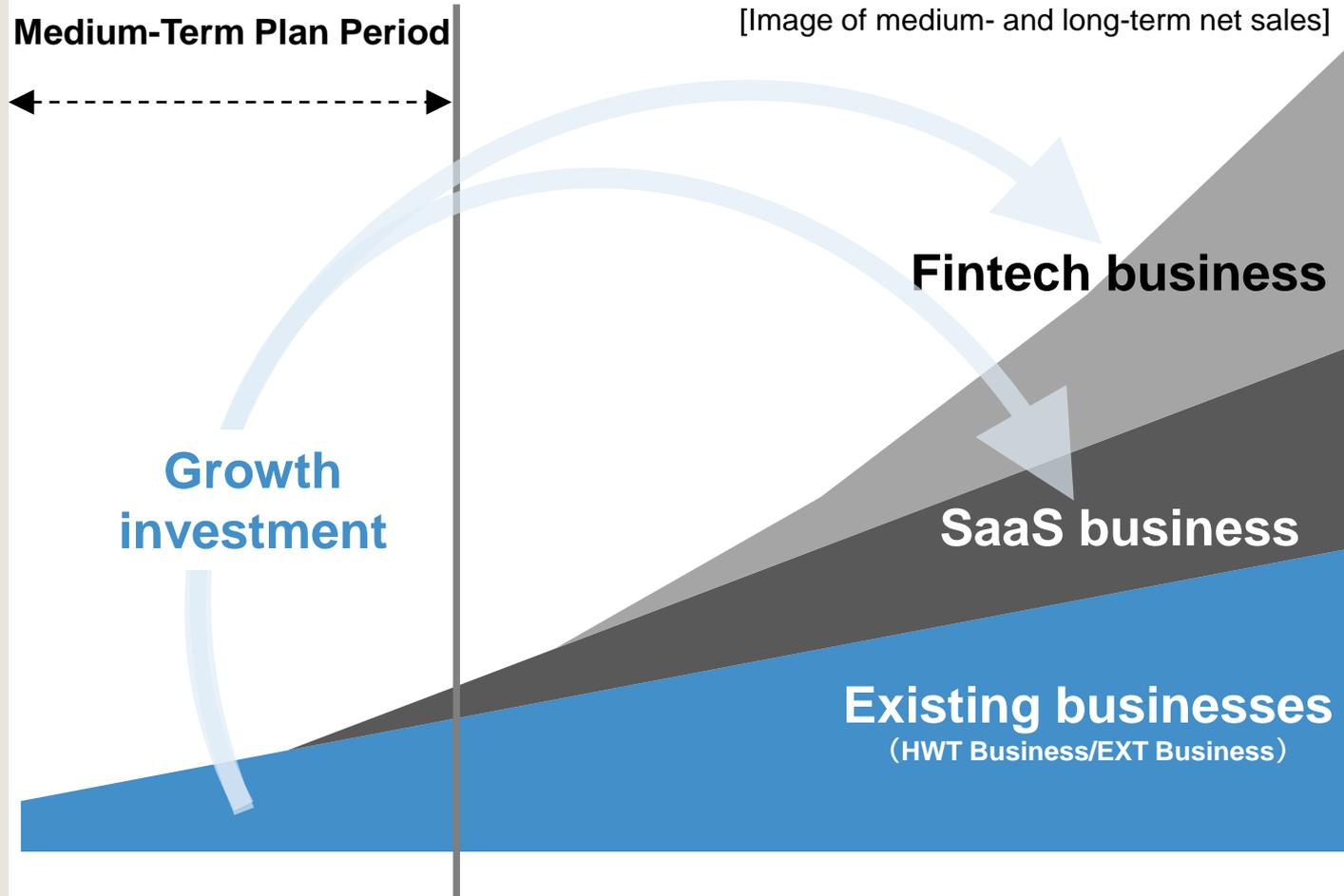
We will practice strategic recruitment with our eyes on both short-term and long-term growth



*1 : Including regular employees, contract employees, and resident & full-time subcontracted employees.

Strategic Image toward Long-Term Growth

We will focus on strengthening the SaaS business and developing the FinTech business



- We will promote the development and strengthening of SaaS business and Fintech business as the new core businesses for long-term growth after the Medium-Term Plan.

- We will appropriate profits accumulated through the existing businesses during the Medium-Term Plan period for investment in the development of SaaS and Fintech businesses.

- More specifically,

[For organic growth]

- Investment in the digital strategy base and the human resources & organizational base

[For non-organic growth]

- Investment in the M&A/incubation investment base

- We will strive for the realization of discontinuous and explosive growth by establishing the new core businesses.

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We are a WorthTech Company.

**We are a WorthTech
Company that maximizes
the property value of living
by innovative real-world
and digital services.**



Corporate name: Japan Living Warranty Inc.

Founded: March 2009

Locations:

- Tokyo Head Office
Sumitomo Fudosan Nishinjuku Building No.4, 4-33-4 Nishishinjuku, Shinjuku-ku, Tokyo
- Osaka Branch Office
Imon Kawaramachi Daini Building, 4-8-4 Kawaramachi, Chuo-ku, Osaka-shi, Osaka Prefecture
- Nagoya Branch Office
Toshin Meieki Building, 2-45-14 Meieki, Nakamura-ku, Nagoya-shi, Aichi Prefecture
- Fukuoka Branch Office
Across Cube Hakata Ekimae, 3-4-25 Hakata Ekimae, Hakata-ku, Fukuoka-shi, Fukuoka Prefecture

Group companies:

- Living Point Inc. (a wholly-owned subsidiary)
- Living Finance Inc. (a wholly-owned subsidiary)

Licenses and registration, etc.

(Japan Living Warranty Inc.)
 Fintech Association of Japan – Enterprise member
 The offices of registered architects: Tokyo Governor Registration No. 63955
 Ordinary construction license: Tokyo Governor Approval (Han-2) No. 152448
 Housing defect warranty liability insurance corporation registered inspection operator

(Living Point Inc.)
 Registration as an Issuer of Prepaid Payments Instruments for Third-Party Business:
 The Director-General of the Kanto Local Finance Bureau No. 00676

(Living Finance Inc.)
 Money-lending business: Tokyo Governor (1) No. 31916

SLOGAN

To worthwhile life

価値あふれる暮らしへ

MISSION

**Maximize the property value of living
through ingenious real and digital services**

VISION

Bring an invariable value to all aspects of living

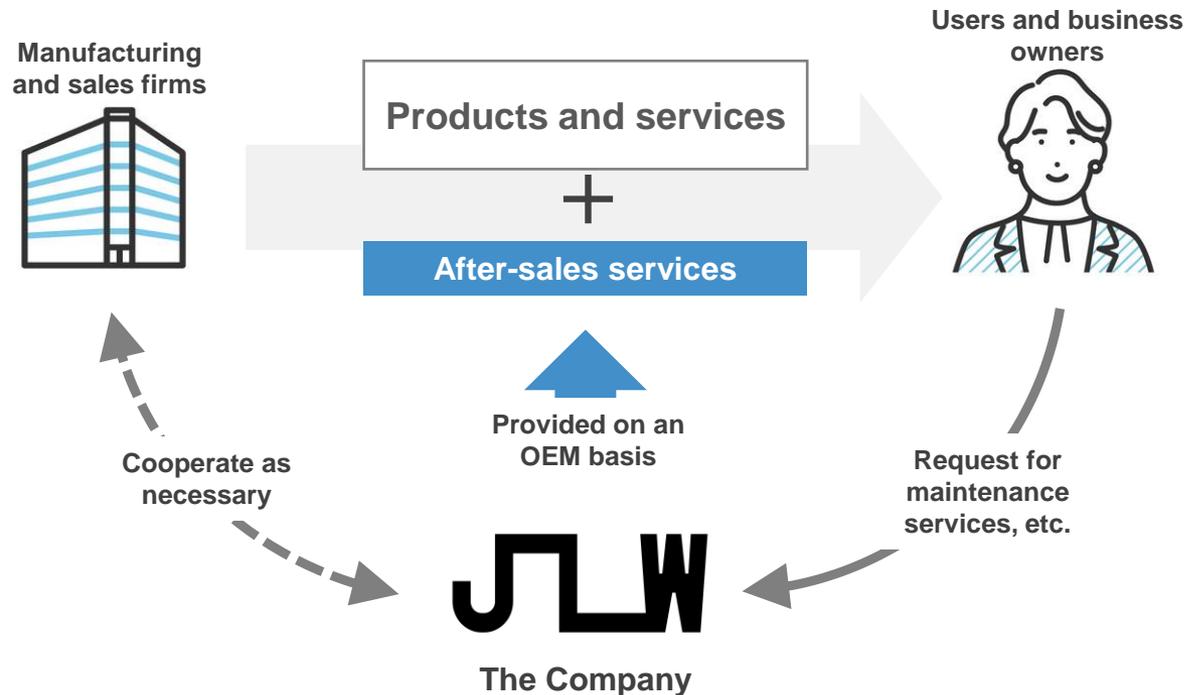
- Composed of members with respective strengths in insurance/operations/finance
- Aims for management of diversity/sustainability by appointing one female director and three executives in their 30s

		Innovation	Marketing	Operation	Finance	Human resources management	IT literacy	Sustainability	Career
	Yoshitaka Adachi Representative Director and President General Manager, Management Headquarters								Upon graduating from School of Engineering, Tokyo Institute of Technology, joined Sanwa Bank (currently MUFJ Bank), and was engaged in trading of interest rates of major countries and foreign exchange, and marketing of derivatives products. Later joined the Japanese subsidiary (Marsh Japan) of Marsh Inc., and handled PL risk countermeasures for a major medical equipment manufacturer and provided consulting services for captive investment deals. Took office as the Company's Representative Director in September 2013.
	Takuya Arakawa Representative Director and Chairman, General Manager, Corporate Sales Headquarters								Upon graduating from the Faculty of Law, Waseda University, joined Nippon Fire & Marine Insurance (currently Sompo Japan Insurance) and then moved on to the Japanese subsidiary (Marsh Japan) of Marsh Inc., where he handled risk management of exchange-listed REITs and arranged a lot of special insurance contracts, including earthquake insurance of commercial properties. Took office as the Company's Representative Director in March 2009.
	Miyoko Kido Director, General Manager, Business Operations Headquarters								Upon graduating from the School of Education, Waseda University, joined CBS Sony Group (currently Sony Music Entertainment (Japan)), and then moved on to MOSHI MOSHI HOTLINE (currently Relia, Inc.), where she was engaged in the building and management of a large number of large-scale contact centers. Took office as the Company's Director in September 2017.
	Atsushi Yoshikawa Director, General Manager, Administrative Headquarters								After graduating from the Faculty of Engineering, University of Tokyo, he won the venture contest on the University of Tokyo campus while still enrolled in the university's graduate school. Later, he joined Shinsai Partners (currently BI Resta SSI), where he took charge of direct marketing and insurance-related core systems. Took office as the Company's Director in September 2017. A Fellow of the Institute of Actuaries of Japan.
	Kosuke Kato Director, Deputy General Manager, Corporate Sales Headquarters								Upon graduating from the School of Commerce, Waseda University, joined Nippon Life Insurance, where he was engaged in the system planning and personnel management in the human resources division and then took charge of planning and education operations in the personal insurance/agency division. Joined the Company in June 2016, and became Director in September 2022.
	Tadashi Nomura Executive Officer, Deputy General Manager, Corporate Sales Headquarters								Upon graduating from the School of Law, Hokkaido University, joined Mitsubishi Motors, where he took charge of domestic sales planning and product planning. Later, he joined ALICO Japan (currently MetLife Insurance) and was engaged in the marketing of insurance products for individuals. Joined the Company in October 2016, and became Executive Officer in October 2018.
	Naoki Watabe Executive Officer, General Manager, Digital Strategy Promotion Headquarters, and General Manager, Sales Supervision Headquarters								Upon graduating from the School of Commerce, Waseda University, joined Nippon Life Insurance. After handling sales planning at branches and product designing and system building in the agency division, he became responsible for personnel evaluation and the planning of the promotion of active participation of women in the human resources department. Joined the Company in November 2018, and became Executive Officer in October 2021.
	Yuichiro Nakane Executive Officer, Deputy General Manager, Business Operations Headquarters								After joining a real estate company as a new university graduate, experienced real estate buying and selling as well as brokering and management of rental property. Later he joined Joint Property and took charge of leasing operations and new customer development. Joined the Company in November 2012, and became Executive Officer in September 2022.

The Company's Positioning

We act as stagehands supporting client firms' after-sales services behind the scenes

- We provide warranty and other after-sales services on an OEM basis to companies that manufacture and sell various products and services.
- Our strength lies in our capability to provide total solutions, ranging from the planning and designing of after-sales services to the management of various operations.
- In the “warranty field” in particular, we excel in optimal system designing and management due to our specialized knowledge and cooperation with major non-life insurance companies.



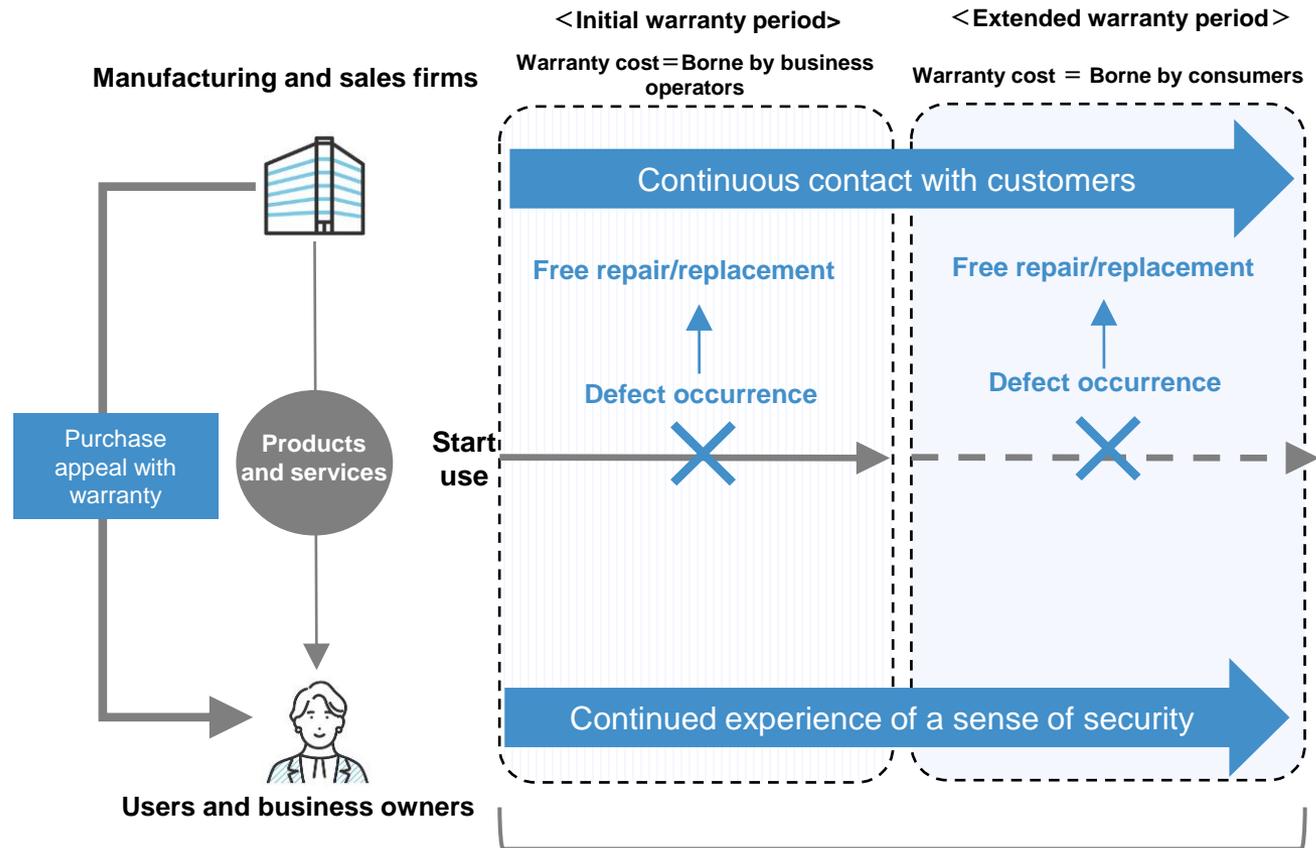
What is warranty?

Objective and outline of warranty service

- In the event of occurrence of prescribed defects, consumers can benefit from free-of-charge repairs and replacement by attaching warranty to products and services.
- Warranty services are broadly divided into the following two types:
 - Cases where a business operator bears warranty cost and extends the initial standard warranty period for long.
 - Cases where a consumer bears warranty cost and makes a warranty contract voluntary.
- We capture needs of business operators considering the introduction of a warranty system, build appropriate warranty systems for them, and carry out and support business operations on their behalf.
- The operation of the warranty system is characterized by the very sophisticated expertise as it requires the conclusion of backup non-life insurance policies and particular management and operations.
- In particular, the stable and continuous operation of the warranty system is possible as we offer functions for supporting insurance assessment operations through cooperation with non-life insurance companies.

We offer sales promotion and contacts with customers for business operators

We offer safe experiences for consumers

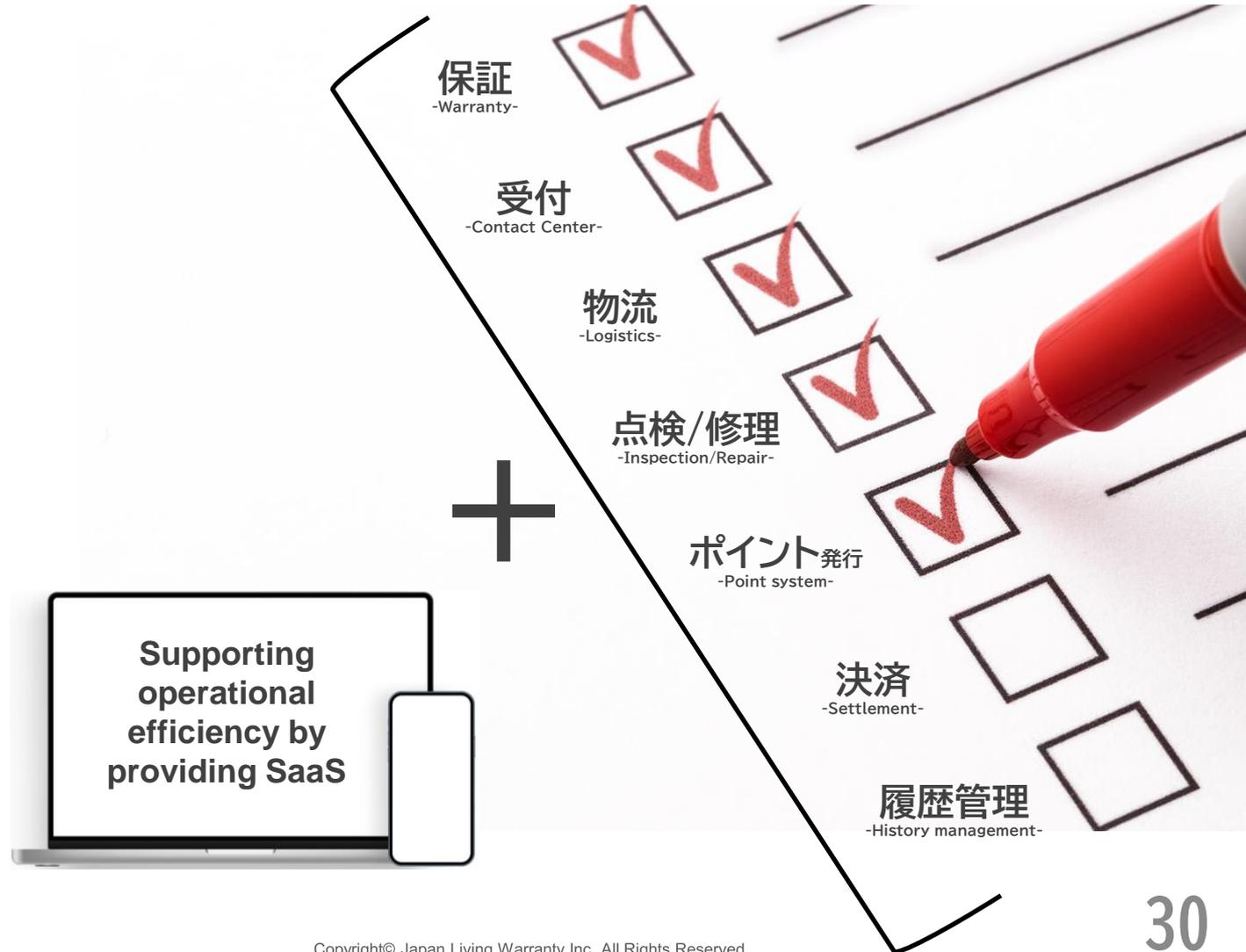


- **We design and build the warranty system in response to the needs of companies.**
 Example: Extend the initial warranty period with manufacturing and sales companies bearing warranty cost.
 Example: Provide the extended warranty service with consumers bearing warranty cost.
- **We undertake business operations and CRM support.**

After-Sales Services DX: The Big Picture

Achieving optimal after-sales services using our extensive solutions lineup

- We can provide a wide range of the elements that companies that manufacture and sell products need in order to provide after-sales services.
- We can offer solutions that meet companies' needs, from the warranty, which is the most explicit element of after-sales services, to contact center operations, logistics, inspection and repairs, point system, settlements, and history management.
- We can also provide many solutions in the form of SaaS products, which will support companies in improving their operational efficiency.
- After-sales services are not limited to digital operations and may require hands-on, real services such as repair work and inspections. Another of our strengths is the networks we have nationwide for handling these services.

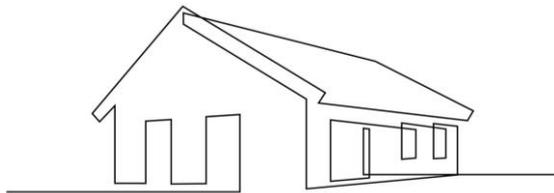


Markets We are Currently Developing

- We offer wide-ranging solutions beyond the warranty services we have provided to a total of 4,000 client firms in the housing area since our company was founded.
- Based on the experience and know-how we have cultivated in the housing area, we are steadily expanding the business areas we handle to enter markets such as PVs/EVs, educational ICT, and home electronics.
- Going forward, we plan to proactively expand into other new areas as well.

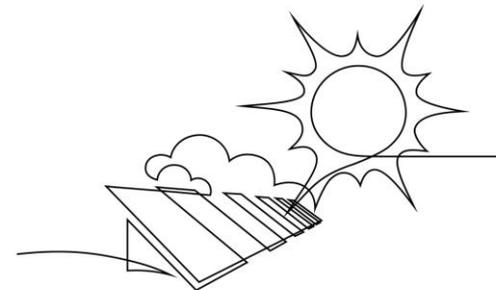
While housing remains our core market, we are accelerating our expansion into new areas

HomeworthTech business areas

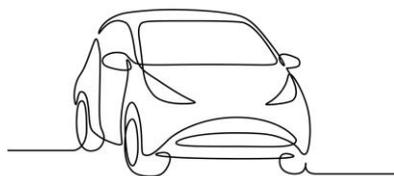


Housing (detached houses, condominiums)

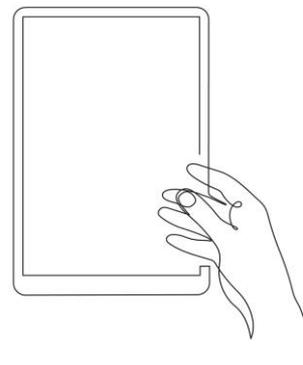
ExtendTech business areas



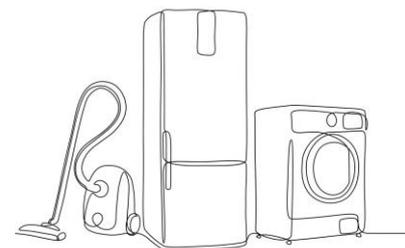
PVs (photovoltaic power generation and storage devices)



EVs (electric vehicles)



Educational ICT devices

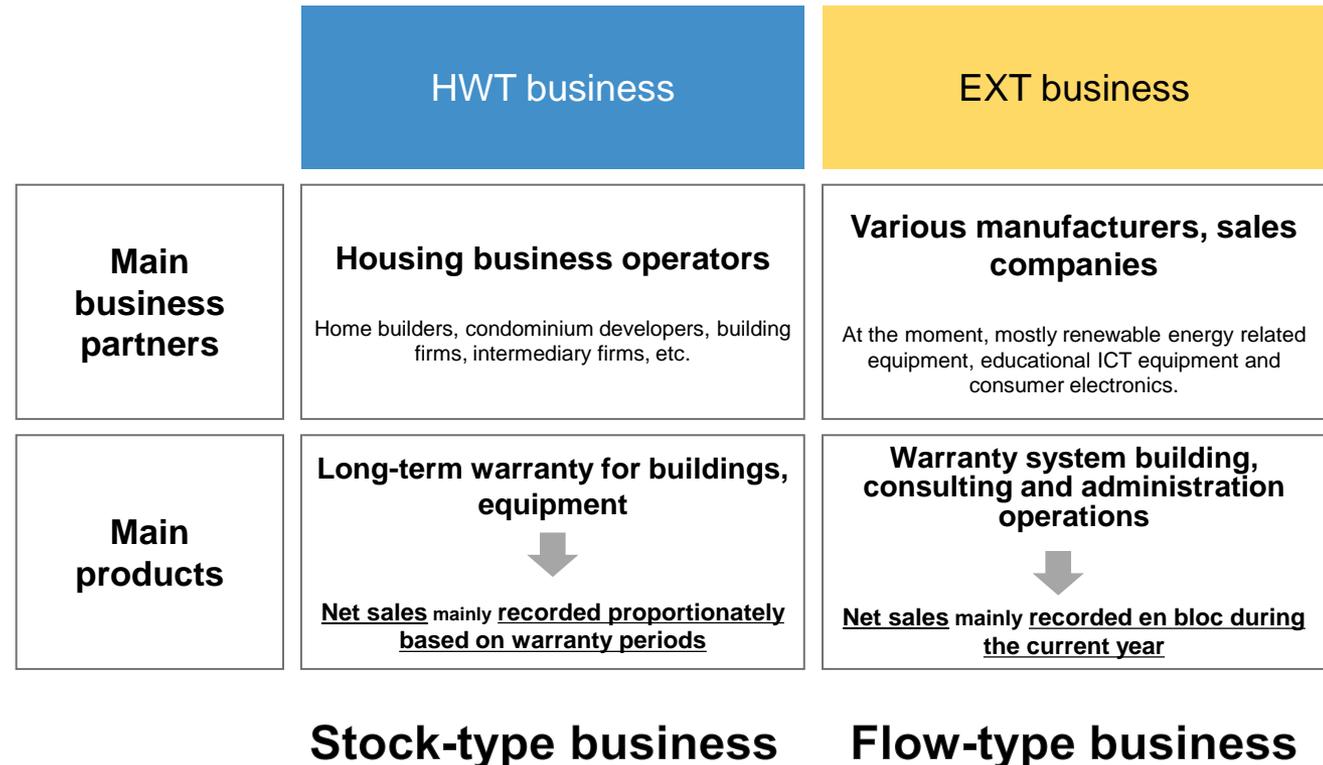


Home appliances

Characteristics of the Two Main Businesses

Hybrid corporate management combining stock-type and flow-type businesses

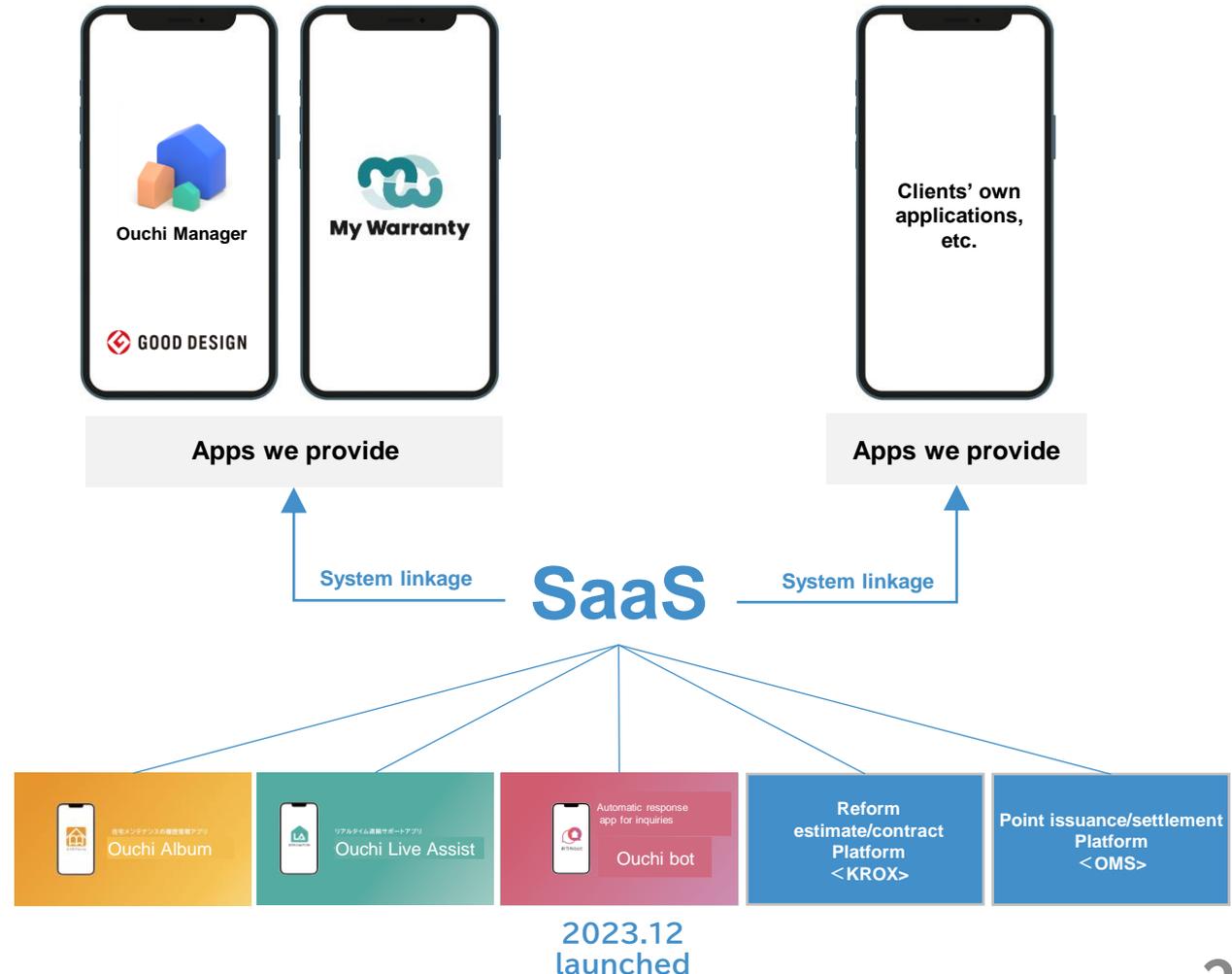
- The HomeworthTech business, where we often serve as a joint warranty entity, is the stock-type business that mainly records net sales proportionately based on warranty periods.
- The ExtendTech business that mainly covers system building and administration operations is the flow-type business, with net sales recorded en bloc during the current year.
- The hybrid operation of the two businesses with different profit structures allows us to adopt corporate management with a good balance between short-term profits and mid- and long-term growth investment.



Provision of SaaS through applications

We support after-sales service DX by providing SaaS linkable to various applications

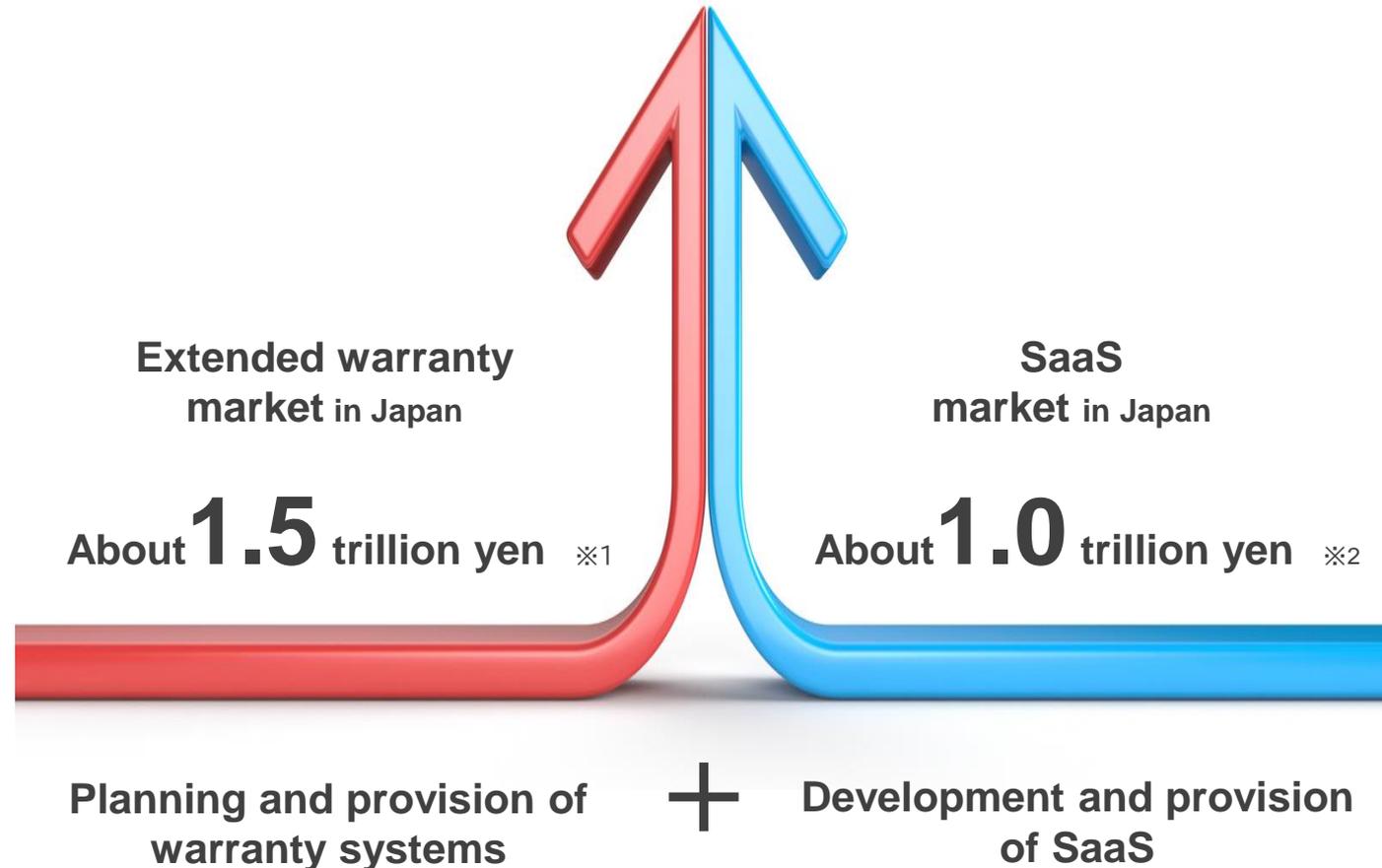
- We provide applications that support the use of warranties in combination with the provision of warranties.
 - Housing area = Ouchi Manager
 - Non-housing area = My warranty
- In addition to the Company's above applications, we support corporate customers' after-sales services DX by providing SaaS linkable to other companies' applications.
- Going forward, we plan to continue to newly develop SaaS with respect to the functions necessary for the provision of after-sales services.



Business Outlook

- Since our founding, we have pursued warranty development in the housing-related area as our core business.
- Amid the trend toward sustainability, there has been increasing interest in the provision of after-sales services for companies' products in areas other than housing, and we are pursuing the development of warranty business in new areas.
- In addition, we will leverage the digital product development platform we have built through proactive investment to accelerate the development of vertical SaaS that grasps the unique business practices of each industry.
- We aim to grow further as a company by rolling out after-sales services DX for a broad range of industries, which we will achieve by combining our warranty know-how with SaaS.

Aiming to tap into a 2.5 trillion-yen market by providing after-sales service DX



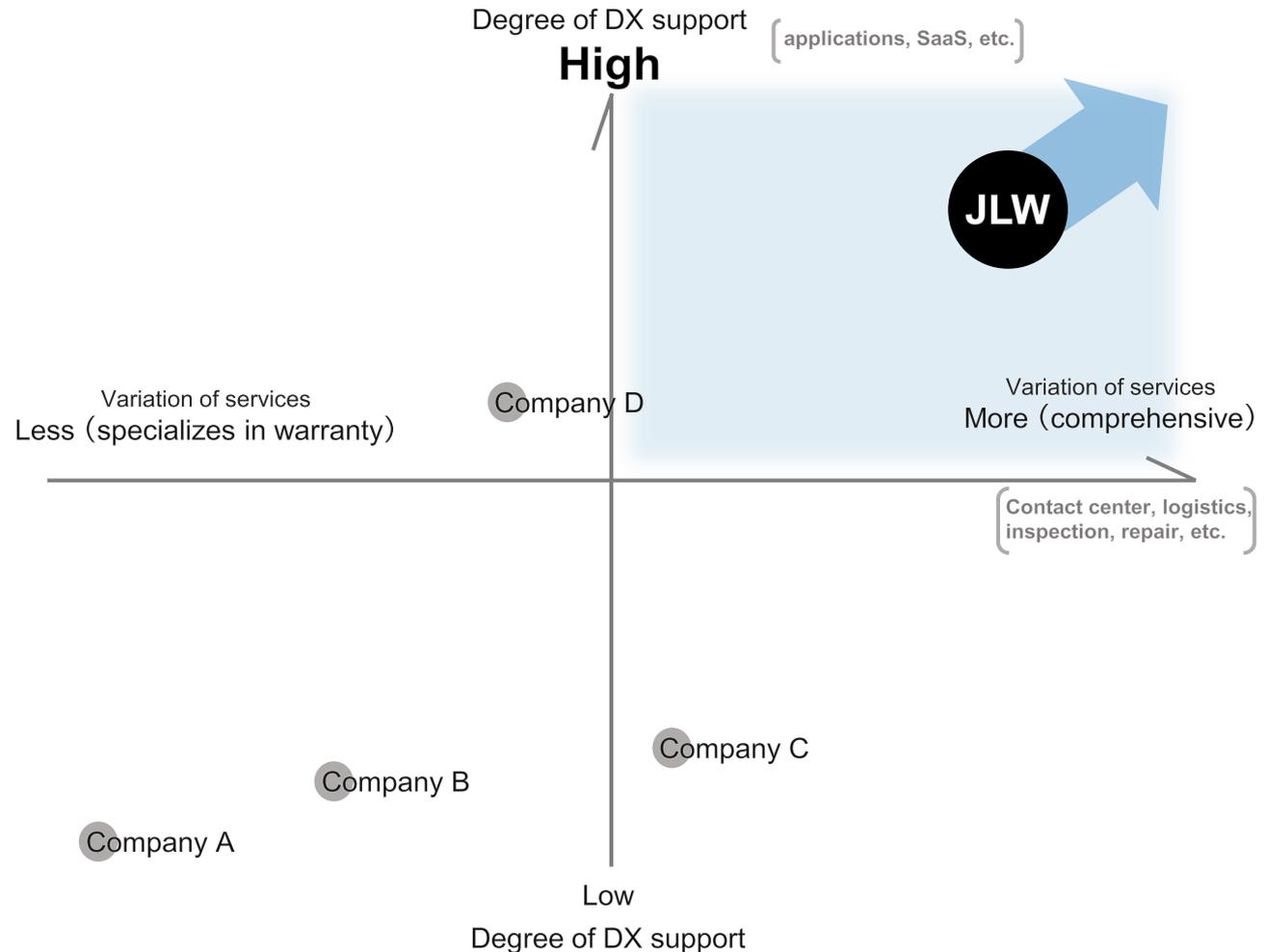
※1. Source: Yano Research Institute Ltd., "Domestic Warranty (Extended Warranty) Service Market in Japan 2022 Edition."

※2. Source: Fuji Chimera Research Institute, "Software Business New Market 2022 Edition."

Competitive Environment

Our strength lies in the wide variations of services and business support by DX

- As explained earlier, our strength is the wide variation of services to respond to various after-sales service needs.
- In addition, we excel in providing support to help enhance the effects and efficiency of clients' operations through operational DX by making use of applications and SaaS, thereby differentiating us from competitors.

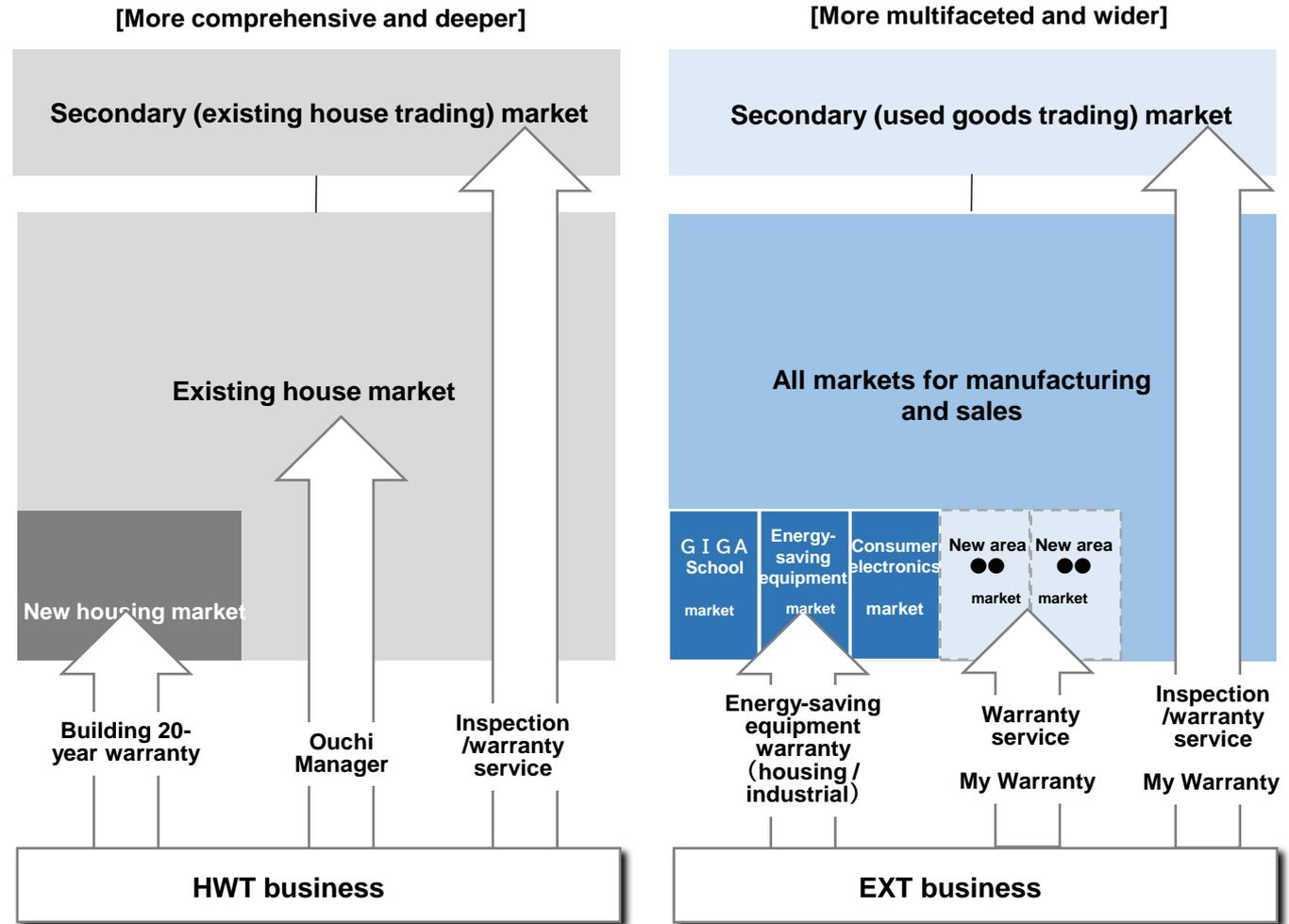


*Companies A to D were selected from our client firms to which we are providing the warranty service (based on an internal survey).

Widening New Markets

Promote deeper cultivation of the housing area and expansion of the new warranty area

- In the housing area,
 - (1) For the new housing market, we are promoting the sale of the “building 20-year warranty backup service,” which has grown into a core service next only to the housing equipment warranty service.
 - (2) For the existing housing market, we are focusing on the approach revolving around “Ouchi Manager.”
- In the non-housing area,
 - (3) We are continuing to promote the attachment of warranty to renewable energy-related equipment with strong social needs.
 - (4) For unexplored new areas, we are promoting the approach that combines the warranty, My Warranty application and SaaS.
- Common in both areas,
 - (5) We are promoting the provision of solutions that contribute to revitalizing the secondary markets from the SDG perspective as well.

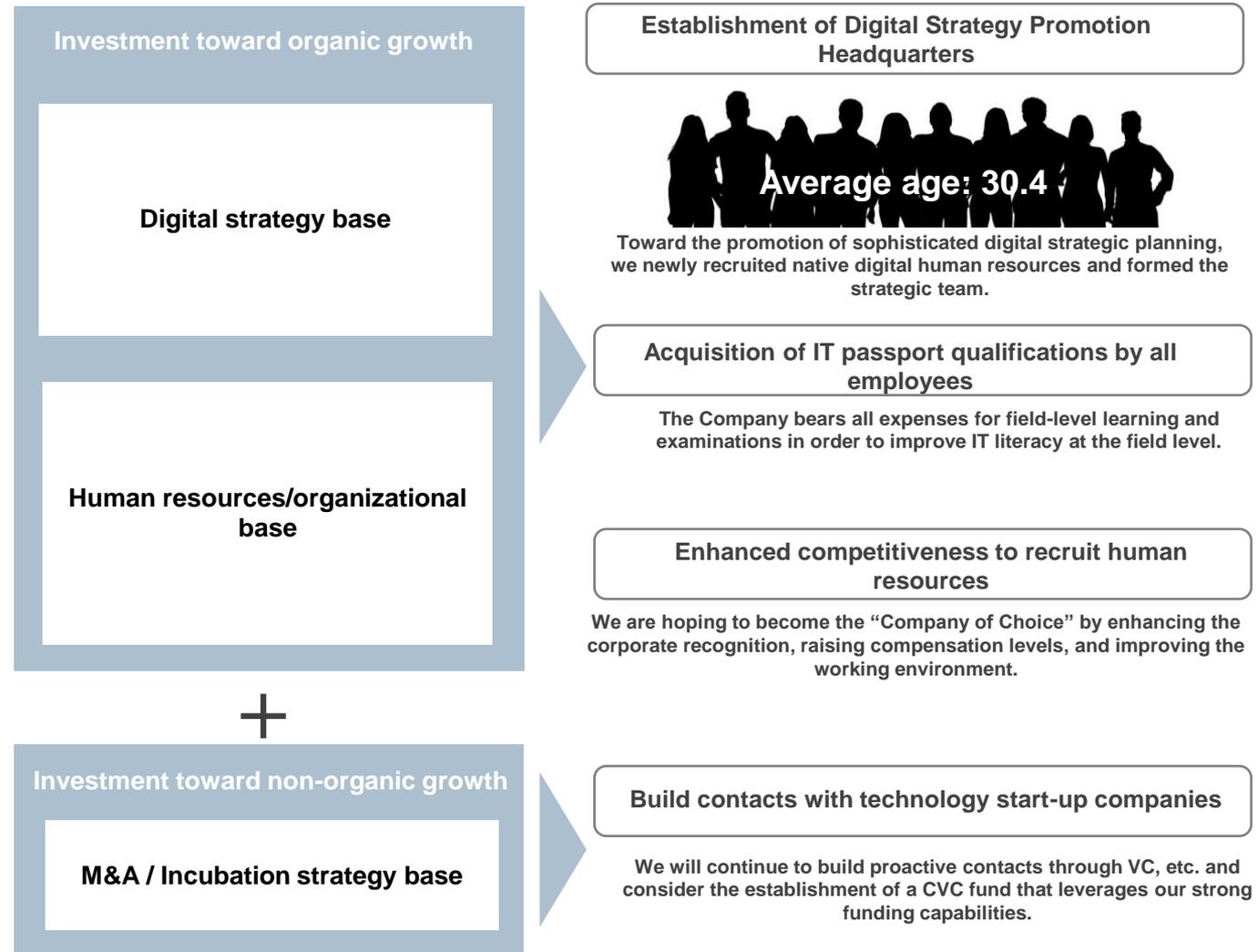


*The size of charts does not indicate how big each market is.

Growth Investment Policy

- Continuing proactive investment centering on systems and human resources in a bid to realize the mid- and long-term strategies.
- Established the Digital Strategy Promotion Headquarters at the outset of the current year as the core organization to realize the digital strategy.
- Continuing efforts to improve the IT literacy across the company, including the acquisition of IT passports by all employees.
- Continuing to establish contacts with technology start-up companies to find new technologies and business, and undertaking activities with a view to M&A and the establishment of a CVC fund.

Carrying out aggressive investment with an eye on long-term growth



SDGs Initiatives

We will continue our sustainability activities to realize a world where we can use good things for a long time

- “Using good things for a long time” is the starting point that our after-sales services are built on.
- As a WorthTech company that maximizes the property value of living through innovative real-world and digital services, we will continue our sustainability activities across the Group to remain a company that contributes to the realization of a sustainable society.
- We will pursue further activities as a Group, led mainly by the SDGs Promotion Office.

SUSTAINABLE DEVELOPMENT GOALS



4. High-quality education to everyone

Promote the improvement of the ICT environment at educational institutions

We are contributing to the improvement of the stable and high-quality educational environment by proactively offering the warranty systems for the improvement of the ICT environment at educational institutions under the GIGA School scheme, including educational tablets and personal computers.



11. Urban development for sustainable cities and towns

Inigorate the distribution of used residential houses

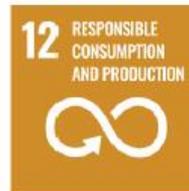
We are contributing to the invigoration of the distribution of used residential houses by offering the services that help to maintain and enhance the asset value of used residential houses, including inspections of used residential houses, implementation of appropriate maintenance through electronic money reserves and the guarantee of selling prices.



7. Clean energy for everyone

Promote the spread of equipment related to renewable energy

We are contributing to the spread of renewable energy technology by offering the warranty systems for power generating equipment and capacitors related to photovoltaic power generation as well as facilities for wind force power generation.



12. Responsible production and consumption

Nurture the culture of “using good things for a long time”

We are contributing to the development of sustainable patterns of production and consumption by offering the warranty services premised on repairs in the event of failure.



9. Create the foundation for industry and technological innovation

Promote digital transformation of the housing/real estate sectors

We are contributing to the digital transformation of the housing/real estate sectors by offering the mobile application for house owners as well as digital service infrastructure, such as B2B and SaaS.



13. Specific actions needed to deal with climate change

Reduce the emissions of CO2

We are contributing to the reduction of CO2 emissions by getting out of the scrap-and-build patterns. We call for the maintenance and enhancement of the value of houses by appropriate reform and maintenance and for endeavors for the enhancement of quality and marketability of housing stocks.