

Intellex

つぎの価値を測る。

Results Summary for 2Q of FY 2024

January 2024

Stock code: 8940

Intellex Co., Ltd.



かえる。くらし。すまい。
リノベーション協議会



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Message from President

In the Tokyo metropolitan area's real estate market, condominium prices continue to reach record highs, accompanied by a growing trend of polarization. Investment capital is predominantly flowing into urban areas as a hedge against the weak yen and inflation. Concurrently, there is a substantial increase in market inventory, leading first-time buyers to become more discerning in their property choices.

The year 2024 heralds a shift in conventional norms across various industries. Starting in April, legislated restrictions on working hours in logistics and construction sectors are anticipated, with potential repercussions on the housing and real estate industries. Monitoring exchange rates, stock markets, and investment trends is crucial. Additionally, while the impact of rising interest rates on housing loan prices is expected to be limited, financial institutions are likely to tighten lending standards in response to heightened procurement interest rates.



Navigating these dynamics, we have diligently implemented the ambidextrous management approach, emphasizing the thorough exploration of existing ventures and the promotion of differentiation through new initiatives.

In the initial half of the year, we proactively refreshed our inventory to swiftly adapt to shifts in the market's supply and demand equilibrium. This strategic move resulted in a notable reduction in long-term inventory, substantially enhancing our financial standing, and position us for upcoming purchases.

Looking ahead to the latter half of the year, we are intensifying our focus on the differentiation strategy for new business ventures. Starting April 2024, newly constructed properties will be required to display the Labeling System for Energy Efficiency. In September 2023, the Ministry of Land, Infrastructure, Transport and Tourism's announced guidelines that suggest potential changes in the criteria for selecting homes in the future. By cultivating expertise in energy-efficient renovations for pre-owned housing and advancing the visualization of properties and real estate transactions, our goal is to harness innovation to effectively address imminent societal challenges related to labor and energy efficiency.

Seiji Toshinari, President & Representative Director

Results summary for 1st half of FY2024

■ Anticipating Changes in Industry Trends: Enhancing Fiscal Performance

1. Prioritized asset streamlining for a robust balance sheet (B/S)
2. Sales boost through strategic property promotion. Profit Strengthening Despite Profit Margin Decline (P/L).
3. Strategic Business Construction for Future Growth. Promoted business expansion in new sectors for medium- to long-term growth perspectives

Strengthened balance sheet

Renovation Business

- Asset Optimization: Strategically sold properties with long project periods
⇒ Significant reduction of interest-bearing debt

Solution Business

- Portfolio Enhancement: Reviewed and adjusted our property portfolio.
- Securitization Readiness: Positioned for leaseback property securitization.
⇒ Achievement: Completed transfer in Dec. 2023 (3Q FY2024)

Sales and Profits Increase

Renovation Business

- Revenue Boost: Both property sales and unit prices increased, contributing to heightened revenue.
- Profit Margin Strategy: Decline in profit margin on property sales attributed to prioritizing inventory replacement.

Solution Business

- Profits increased through the sales of profitable buildings and Kyomachiya properties.
- Significant improvement in occupancy rates within the hotel business.

Promoted new business fields

Energy-saving renovation

- Introduced the "Energy Efficiency Performance Report" to showcase energy efficiency improvements in existing housing units.

DX of real estate transaction

- Broadened our real estate transaction platform, FLIE, by expanding listings and enhancing user experience.
- Rolled out FLIE ONE, a comprehensive Digital Transformation (DX) support package tailored for the real estate industry.

1. Results summary for 1st half of FY2024

1-1 Summary of Consolidated Results

- Sales and profits surge driven by robust first-half performance; Profit projections revised upwards

(Million yen)

| | First half of FY2023 | First half of FY2024 | YoY changes |
|-----------------------------|-------------------------|-------------------------|----------------|
| Net sales | 17,927 | 22,670 | +26.5% |
| Renovation Business | 16,184 | 19,886 | +22.9% |
| Solution Business | 1,743 | 2,783 | +59.7% |
| Gross profit | 2,656 | 2,811 | +5.8% |
| (Gross profit margin) | (14.8%) | (12.4%) | |
| Renovation Business | 2,226 | 1,971 | - 11.5% |
| (Profit margin) | (13.8%) | (9.9%) | |
| Solution Business | 430 | 840 | +95.3% |
| (Profit margin) | (24.7%) | (30.2%) | |
| Operating profit | 189 | 239 | +26.8% |
| Ordinary profit | - 13 | 104 | — |
| Quarterly net profit | - 30 | 72 | — |

※ Changes are compared to the previous year

- Renovation sales segment flourishes: **22.9% YoY Growth**

- Both unit sales prices and the number of units witnessed a substantial increase.

| | | | |
|-------------------|-----------------------------------|------------------------|---|
| No. of units sold | 652 units +68 units YoY | Average price per unit | ¥28.57 million +¥2.47 million YoY |
|-------------------|-----------------------------------|------------------------|---|

- Renovation and Decoration Business exhibited steady growth, recording a **12.1% uptick**

- Solution segment achieves remarkable **59.7 % YoY sales increase**.

- Sales in the Hotel and Other Accommodation Business experienced a significantly surge, registering a remarkable **205.8% growth**.

- **Gross profit rises** despite **margin decline** from property sales

- **Loss on the valuation of real estate for sale**, included in cost price amounted to **¥118 million**

- Gross profit growth absorbs **SG&A expenses**, resulting in overall **profit increase**

- SG&A expenses maintained at modest increase at **4.2%**

- Improved non-operating income and expenses to **quarterly net profit increase**

- Non-operating expenses, such as loan-related expenses, **decreased by 12.7%**

1-2 Consolidated Balance Sheets

■ Strategic focus on property sales enhances asset efficiency and boosts equity ratio

(Million yen)

※Increase/decrease shows year-on-year changes

■ Cash and deposit
¥5,800 mil (+¥800 mil YoY)

■ Types of inventories
・ Rental properties: increased due to transfer of leaseback properties

| | |
|--------------------------|---|
| Sales properties | ¥10,700 mil (-¥7,300 mil) 452 units (-291 units) |
| Rental properties | ¥9,100 mil (+¥1,900 mil) 289 units (+131 units) |

■ Long-term earning properties
Reserves: ¥9,900 mil, 220 units
(YoY: -¥2,000 mil, -47 units)
・ Transfer of leaseback properties towards SPC formation

■ Significant reduction in interest-bearing liabilities
¥24,900 mil (YoY: -¥6,200 mil)

■ Capital-to-asset ratio:
29.8% (YoY: +4.0 points)

| | As of May 31, 2023 | | As of Nov. 30, 2023 | | Year on year changes | |
|------------------------------------|--------------------|--------|---------------------|--------|----------------------|-------------------|
| | Amount (million¥) | Ratio | Amount (million¥) | Ratio | Amount (million¥) | Increase/decrease |
| Cash and deposits | 4,965 | 10.9% | 5,805 | 14.7% | 840 | +16.9% |
| Real estate for sale | 25,751 | 56.4% | 20,174 | 51.1% | - 5,576 | - 21.7% |
| Other current assts | 916 | 2.0% | 994 | 2.5% | 77 | +8.5% |
| Current assets | 31,633 | 69.3% | 26,974 | 68.4% | - 4,658 | - 14.7% |
| Non-current assets | 13,996 | 30.7% | 12,482 | 31.6% | - 1,513 | - 10.8% |
| 【Total assets】 | 45,629 | 100.0% | 39,457 | 100.0% | - 6,172 | - 13.5% |
| Current liabilities | 23,371 | 51.2% | 18,157 | 46.0% | - 5,213 | - 22.3% |
| Non-current liabilities | 10,484 | 23.0% | 9,516 | 24.1% | - 968 | - 9.2% |
| 【Total liabilities】 | 33,855 | 74.2% | 27,673 | 70.1% | - 6,182 | - 18.3% |
| 【 Total net assets 】 | 11,774 | 25.8% | 11,783 | 29.9% | 9 | +0.1% |
| 【Total liabilities and net assets】 | 45,629 | 100.0% | 39,457 | 100.0% | - 6,172 | - 13.5% |

2. Forecasts for FY2024

2-1 Summary of FY2024 Forecast

Stable full-year earnings forecast for FY2024

(Million yen)

| | FY2023 (actual) | | FY2024 (forecast) | | | | | |
|-------------------------|--------------------|--------|----------------------|----------------------|----------------------|----------------|------------------------------|---------------|
| | | | 1st half (actual) | 2nd half (actual) | Full year (forecast) | | | |
| | Amount | Ratio | Amount | | Ratio | YoY changes | YoY increase/ decrease | |
| Net sales | 41,236 | 100.0% | 22,670 | 25,873 | 48,543 | 100.0% | +17.7% | +7,306 |
| Gross profit | 6,112 | 14.8% | 2,811 | 3,472 | 6,283 | 12.9% | +2.8% | +170 |
| Operating profit | 710 | 1.7% | 239 | 529 | 769 | 1.6% | +8.4% | +59 |
| Ordinary profit | 239 | 0.6% | 104 | 260 | 364 | 0.8% | +52.3% | +125 |
| Net profit | 100 | 0.2% | 72 | 174 | 247 | 0.5% | +145.5% | +146 |

Full-year Performance Plan

| Sales of Renovated Condominiums | | Average sales price per unit | |
|---------------------------------|----------------------------------|------------------------------|----------------------------------|
| Forecast | 1,250 units +98 units YoY | Forecast | ¥27.48 mil +¥1.19 mil YoY |

- In pursuit of our fiscal objectives, we anticipate a **17.7% year on year boost in sales**, driven by the sale of Renovated Condominiums amounting to ¥34,300 million, profitable properties sales totaling ¥4,000 million, securitization of Leaseback properties yielding ¥1,800 million and Asset Sharing contributing of ¥2,000 million.
- Despite a slight decline in the profit margin from Renovated Condominium sales, we project a **2.8% year-on-year increase** in gross profit.
- Our strategic focus includes maintain a conservative **2.1% year on year increase in SG&A expenses**. Furthermore, we aim to achieve an **8.4% increase in operating profit** and a **52.3% rise in ordinary profit**.

2-2 Shareholders Return Policy

Dividend forecast

- At the end of the first half of FY2024, the approved dividend stood at **¥9, aligning with our anticipated figures..**
- The ¥9 dividend declared at the close of the first half, not only contributes to an **annual dividend projection of ¥18** but also positions the anticipated payout at a robust **60.9%**.

| | End of 1st half | Year-end | Annual dividend | Dividend payout ratio |
|-------------------|--------------------|-----------|--------------------|-----------------------------|
| FY2022 (actual) | ¥13 | ¥13 | ¥26 | 34.9% |
| FY2023 (actual) | ¥9 | ¥9 | ¥18 | 154.5% |
| FY2024 (forecast) | ¥9 (actual) | ¥9 | ¥18 | 60.9% |

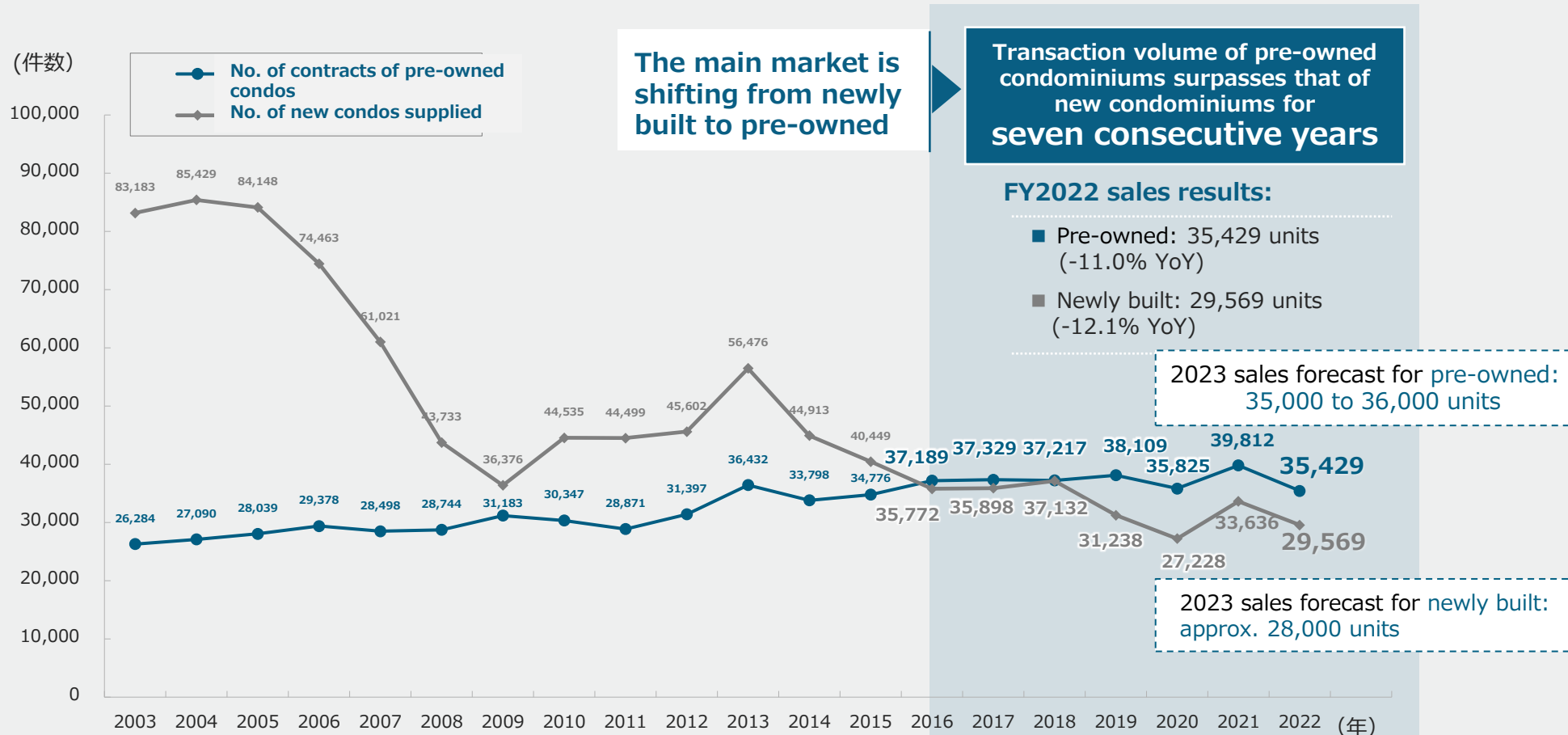
Share buyback

- No. of shares acquired: 400,000 shares (upper limit)
 - Total acquisition price: **¥200 million** (upper limit)
 - Acquisition period: from January 15, 2024, to April 30, 2024
- * Percentage to the total number of issued shares (excluding treasury shares): **4.8%**

3. Trends in the Pre-owned Condominium Market

3-1 Pre-owned Condominiums Outperform New Housing Market

■ Comparison of the number of contracts for pre-owned condominium units and newly built condominium units supplied in Tokyo metropolitan area



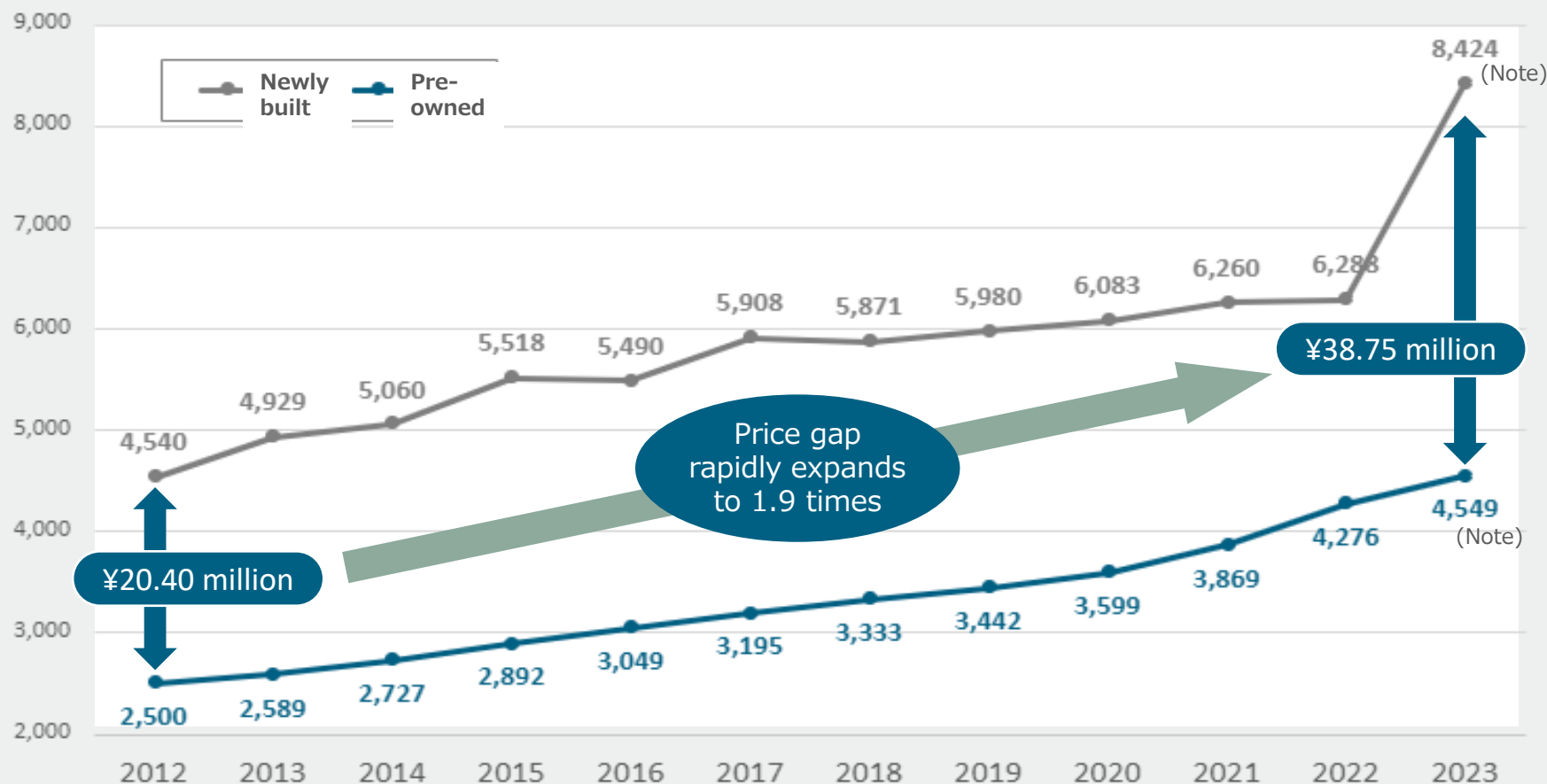
* Number of new condominiums supplied: Created by Intellex based on data published by the Real Estate Economic Institute

* Number of pre-owned condominiums contracted: Created by Intellex based on data published by Real Estate Information Network System

3-2 Widening price gap: Newly built vs pre-owned markets

- Trends in sales prices for newly built condominium and contract prices for pre-owned condominium in the Tokyo metropolitan area

(10 thousand yen)



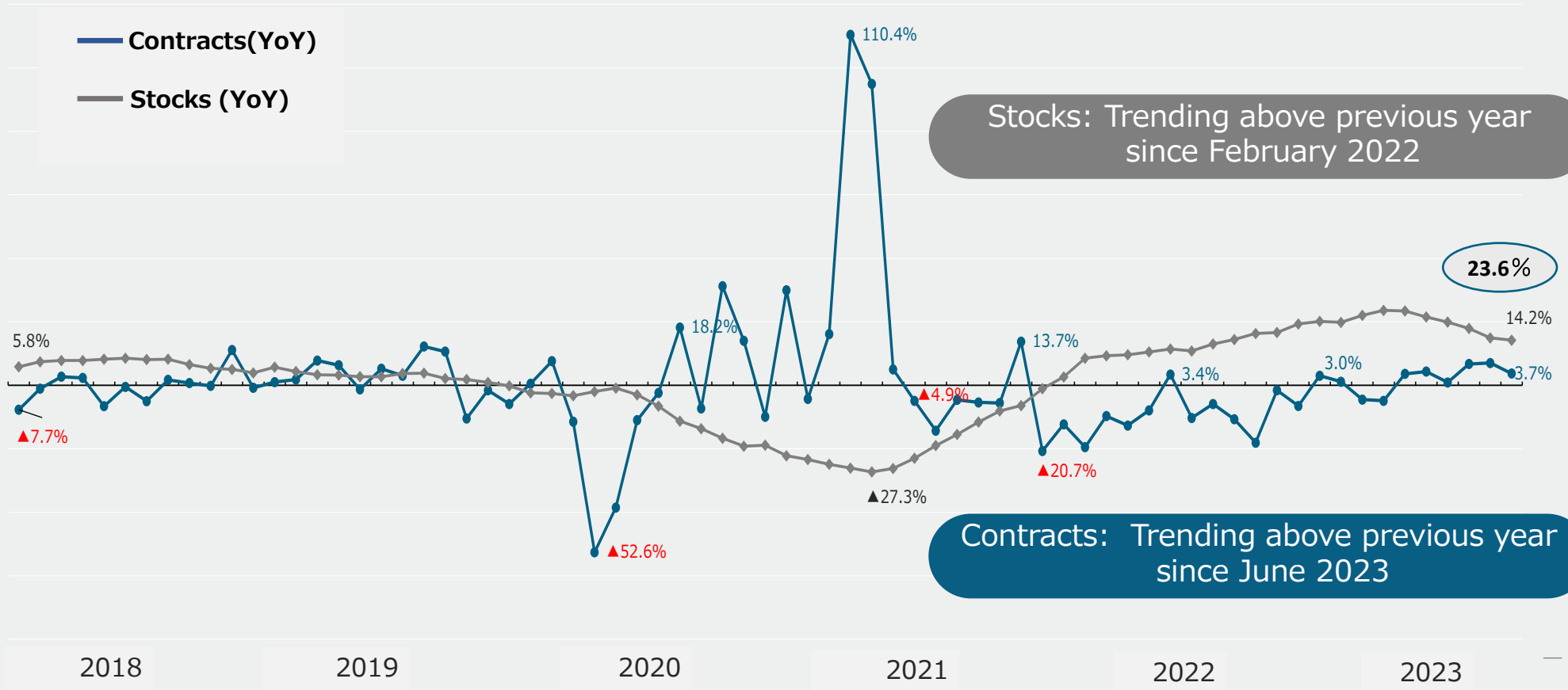
※ Newly built condominium sales price: Created by Intellex based on data published by the Real Estate Economic Institute

※ Pre-owned condominium contract price: Created by Intellex based on data published by Real Estate Information Network System

(Note) Prices for 2023 are calculated based on actual results up to November 2023

3-3 Pre-owned condominium market trends (year-on-year)

■ No. of contracts and stocks of pre-owned condominiums the Tokyo metropolitan area
(Year-on-year growth rate: Jan 2018– Nov 2023)

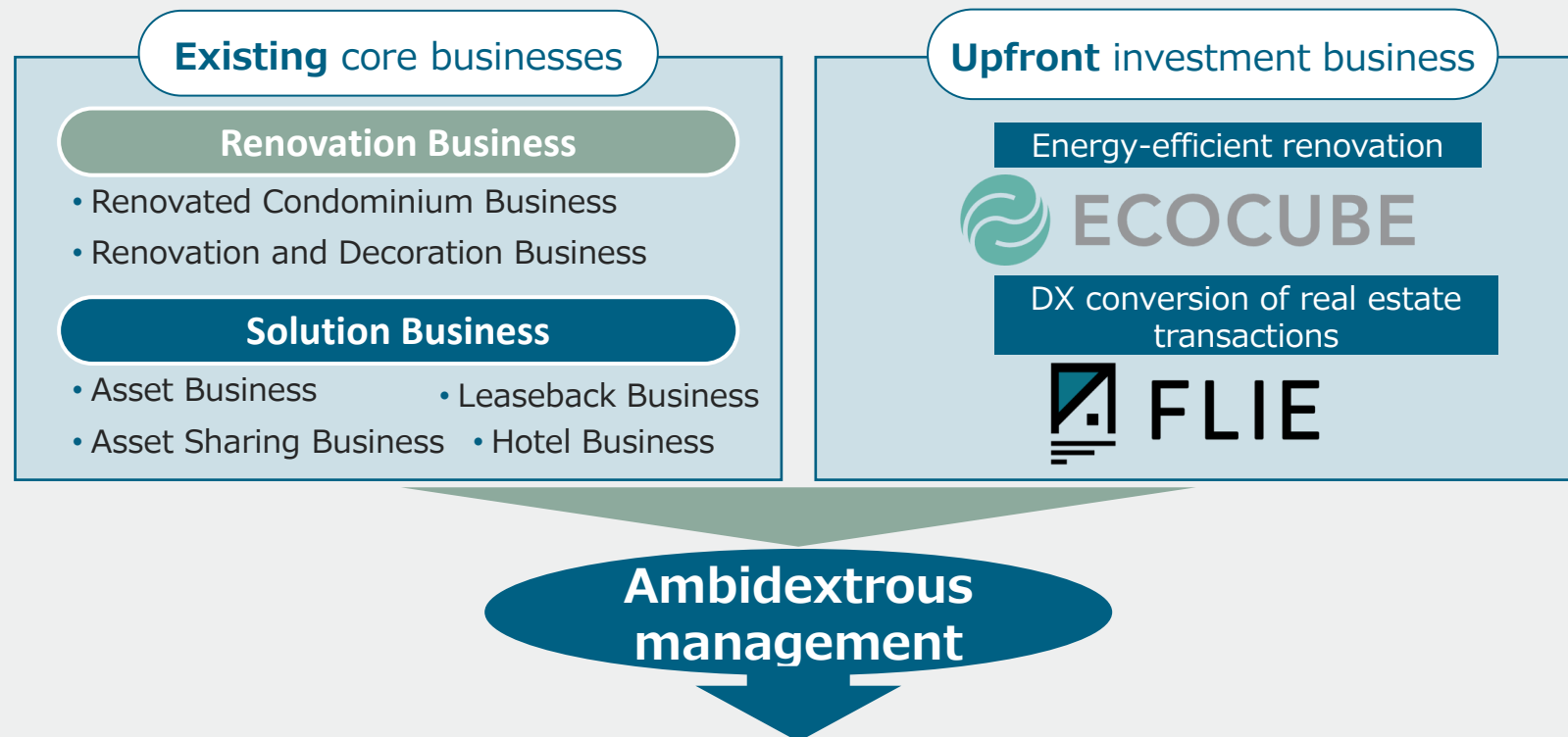


4. Priority Measures for FY2024

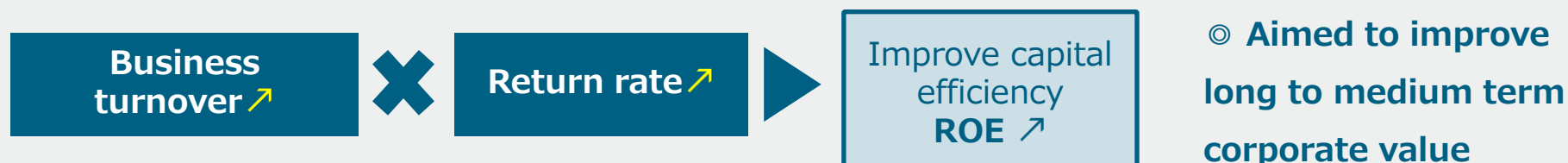
4-1 Key Measures Summary for FY2024

Ambidextrous Management aimed to Rebuilding Profit Base

- Promote **ambidextrous management** by **rebuilding** existing core businesses and **expanding** upfront investment businesses

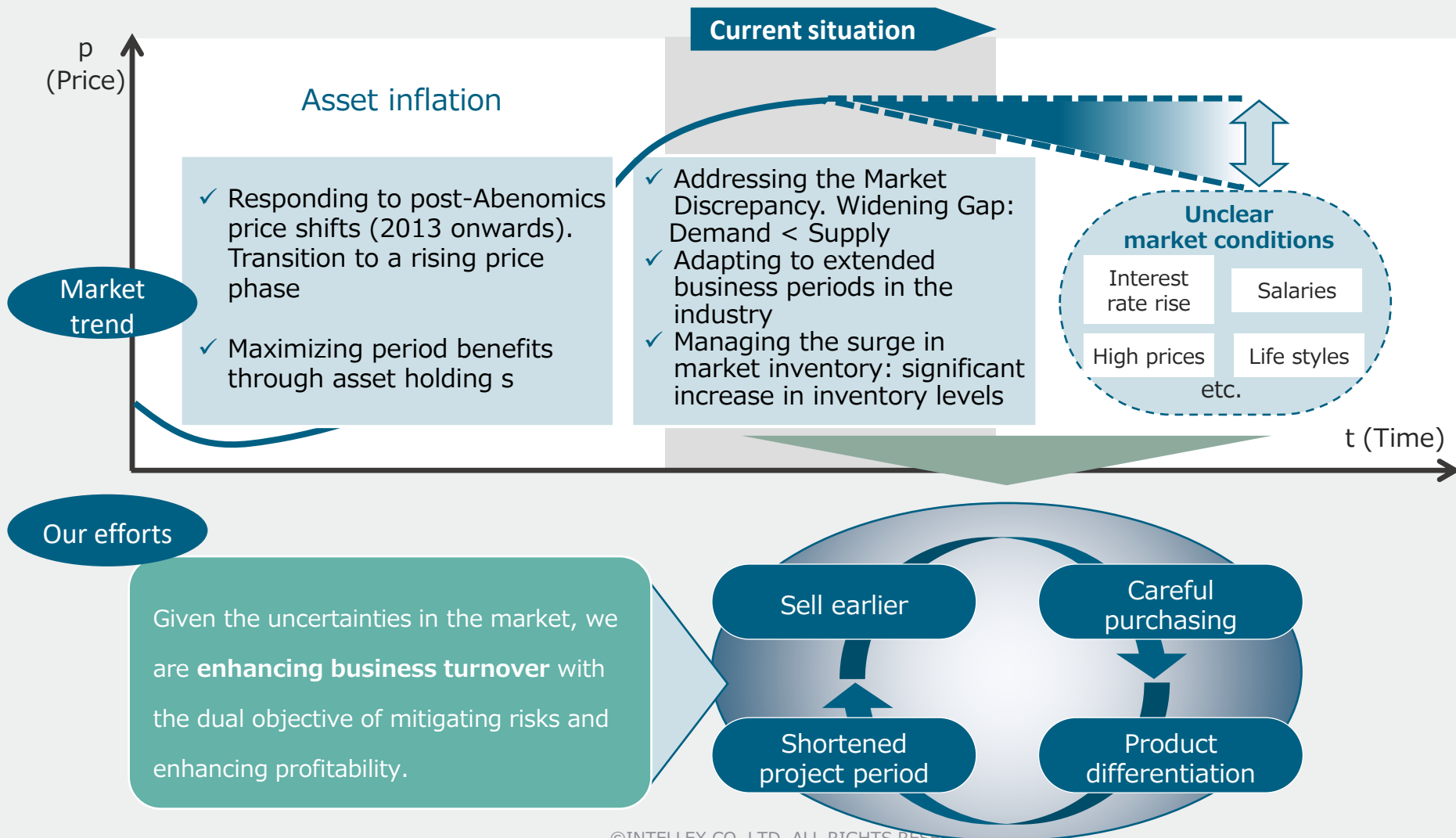


- Achieve lean management by improving **efficiency** and **profitability**



4-2 Priority Measures: Renovation Business

■ Addressing Market Dynamics: Initiatives for the Renovated Condominium Business



4-3 Project Period for Renovated Condominiums

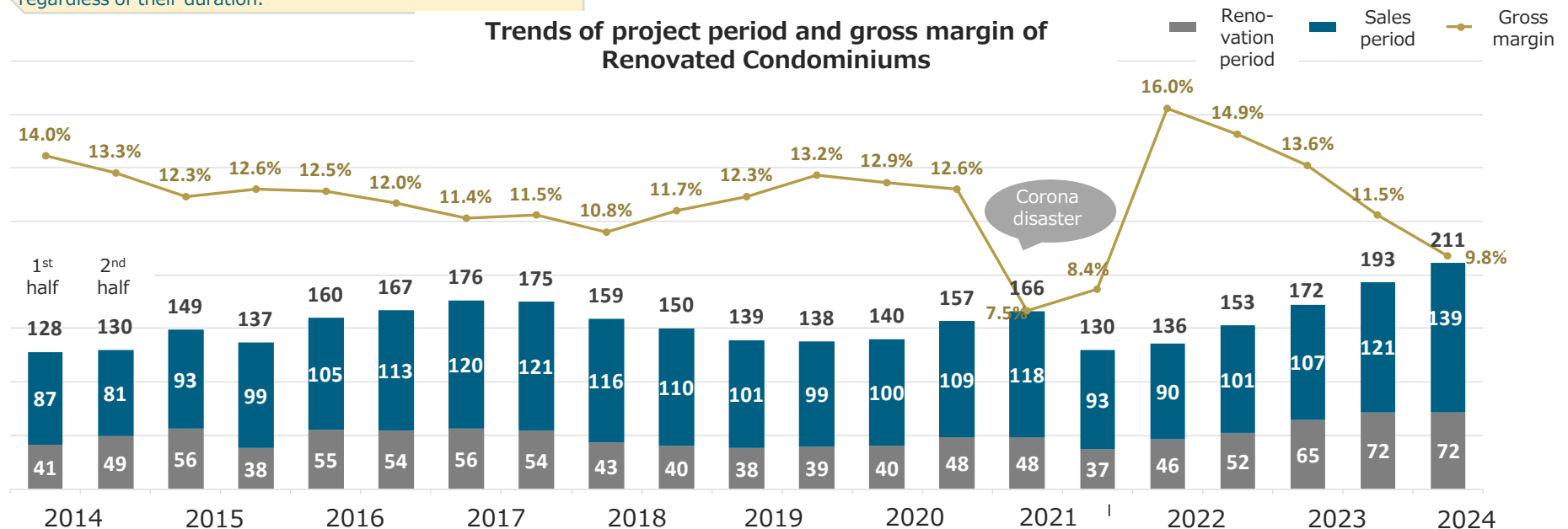
■Evaluating business health through key performance indicator (KPI): Business Period

Business period of Renovated Condominiums

In our examination of the business period as a vital KPI, we conducted a **thorough review of properties** under consideration for this metric. Acknowledging the constraints of our previous method, which concentrated solely on properties with a business period of less than 180 days, we broadened our perspective to encompass all properties, regardless of their duration.



Trends of project period and gross margin of Renovated Condominiums



- Extended business period:
 - Factors include market **inflation** & **overstock situation**
 - **Construction delay**: Arising from sudden increases in purchases; particularly in the context of old properties.

⇒ Sales period
⇒ Renovation period

Longer

Measures for this period:

- 1st half: property replacement prioritizing sales
- 2nd half: focus on purchasing

4-4 Renovation and Decoration Business

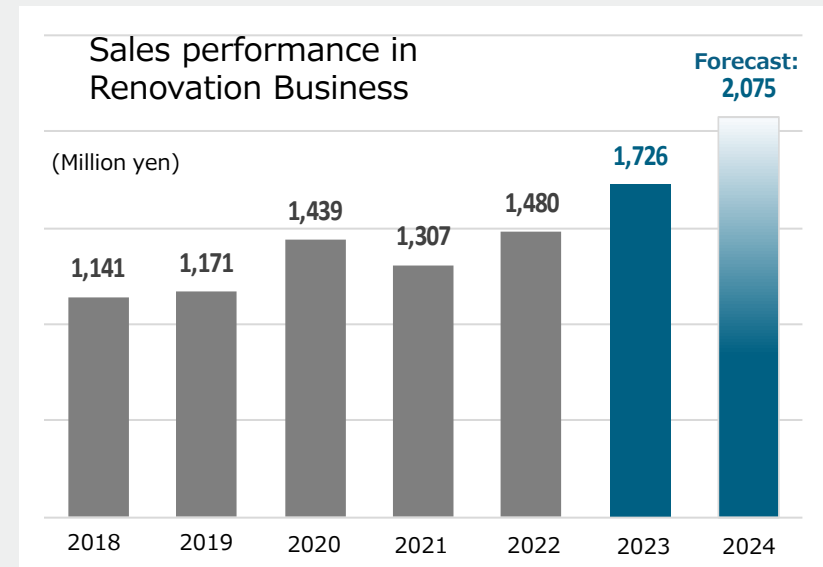
- Extensive know-hows gained over years satisfy various renovation needs

Contracted works for corporate clients… Collaboration with industry peers

- Increased renovation orders from major industry peers who value our high-quality works



- First half of FY2024 Performance Highlights:
Net sales recorded **¥980 million** (+12.1% YoY).
Boosted by a surge in renovation orders from corporate clients
- FY2024 forecast:
Anticipating a robust performance with combined sales for corporates and individual segments projected to reach **¥2,070 million** (+20.2% YoY)



4-5 Priority Measures: Solution Business

■ Enhancing profit stability through diversified business portfolio

Leaseback Business

- Foster expansion as a strategic purchasing avenue with a focus on medium- to long-term perspectives.
 - Integrate securitization methods for consistent and systematic monetization.
- Strengthen promotional efforts to enhance market awareness leveraging platforms such as TV commercials and web marketing
- Strengthen partnerships with prominent real estate brokerage firms, including alliances with industry leaders such as Century 21 Group, Toho House, major railway brokerage companies, among others.

Leaseback Properties Acquisition Record (As of end of Nov. 2023)

- Cumulative properties acquired: 823 (increased by 56 YoY)
- Cumulative acquisition amount: ¥13,300 mil (up ¥800 mil YoY)

➤ In December 2023, executed **securitization for Leaseback properties**

Transfer amount: ¥1,840 mil (recorded in 3Q of FY2024)

Asset Sharing Business

- Addressing investor and inheritance requirements through consistent offerings of small-lot real estate products

Addressing real estate investment challenges:

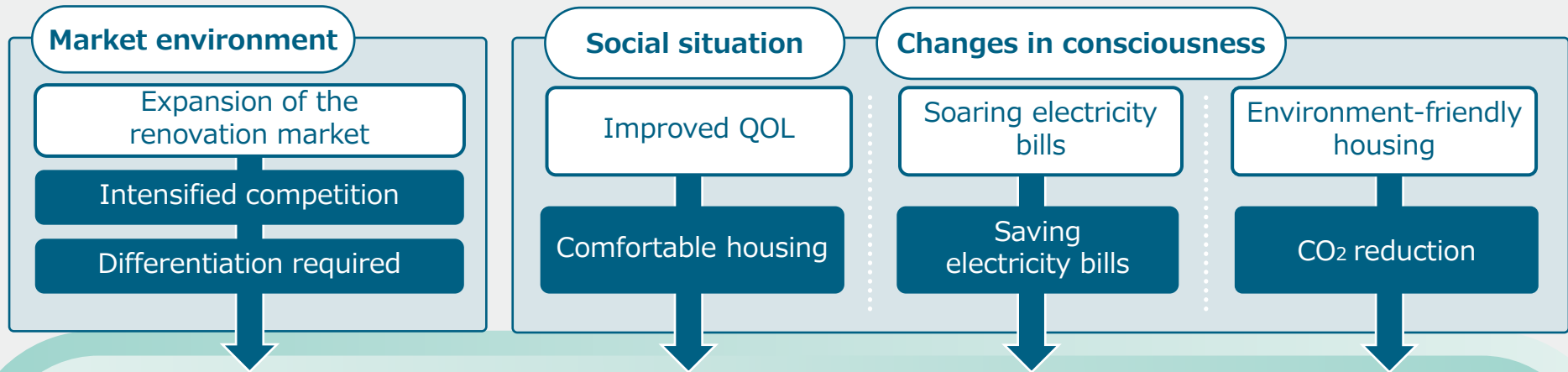
- Enabling investment in units as small as ¥1 million
- Comprehensive management to alleviate investor concerns
- Equitable sharing during inheritance or gifting opportunities

Asset Sharing Track Record (As of end of Nov. 2023)

- 8 series successfully established to date
- Cumulative composition amount reached ¥8,060 million

➤ We anticipate the introduction of a **new series of Asset Sharing** during the second half of FY 2024.

4-6 Continuous Implementation Based on Medium-term Key Measures



ECOCUBE

ECOCUBE, our exclusive energy-efficient renovation package, makes it possible for customers to reduce their electricity bills. We showcase ECOCUBE properties on the FLIE website.

Our measures

Enhancing branding



Heightening awareness and understanding



Attracting value-conscious customers

Establishing of Direct Sales System

FLIE, our direct sales platform for real estate properties



FLIE

4-7 Ecocube Promotion and Expansion I

Government policy

- Based on the Act on the Improvement of Energy Consumption Performance of Buildings,
 - Sep. 2023: the Labeling System for Energy Efficiency Guidelines announced
 - Apr. 2024: **Energy Efficiency Labeling System** for newly constructed housing begins
 - Apr. 2025: Newly constructed housing **must meet energy efficiency standards**
- * Existing housing are currently considered by the review committee

Evaluation of Intellex by the Authorities

- Aug. 2023: Selected as a business operator for the “Initiative for the Distribution of Existing Residential Properties in Tokyo Metropolis” by the Tokyo Metropolitan Government’s Office for Housing Policy
- Dec. 2023: Selected as operator of Tokyo Renovation Model House Project by the Tokyo Metropolitan Government’s Office for Housing Policy

Our efforts

- Pioneering the Industry: Unveiling the **Ecocube Energy Efficiency Labeling System** for renovated housing

Visualization of Energy Efficiency

- Dedicated to **enhancing energy efficiency**: a strategic focus on decarbonization and cost reduction
- Transparent performance metrics: delivering an **Energy Efficiency Performance Report** to Ecocube, quantifying utility costs and CO₂ reductions

Empowering informed choices: Facilitating housing comparison and decision-making through efficient performance metrics



Examples of display (items listed)

- Estimated utility costs
- CO₂ emissions reduction
- Energy consumption performance
- Insulation performance
- Energy-efficient renovation work details



4-8 Ecocube Promotion and Expansion II

■ Ecocube Advancement Timeline

- ① Introduction of Ecocube:
Identifying challenges.
- ② Visualization of energy efficiency performance:
Aligning with national guidelines
- ③ Driving innovation in construction methods and equipment

◎ Elevating energy-efficient renovations: Striving for improvements in three key areas

Advocating for industry-wide standardization

- Streamlining Construction: Reducing costs and shortening construction periods
- Standardizing Energy Efficiency Performance Reports: Establishing clear standards

Improvements in three key areas

| | |
|-------------|---|
| Insulation | ▶ Insulation performance |
| Ventilation | ▶ Heat exchange ventilation performance |
| Energy | ▶ Energy consumption performance |

From 2024

Step 3

- Further improvements
- Towards ZEH standard conformity

Insulation Ventilation Energy

From Oct. 2023

Step 2

- Visualization of energy-efficiency performance

Insulation Ventilation Energy

From Jan. 2021

Step 1

- Introduction of Ecocube

Insulation Ventilation Energy

Further technological development

〈Current〉 〈Future〉

4-9 FLIE, Our Real Estate Direct Sales Platform I **IntelleX**

つぎの価値を測る。

■ Empowering **Direct Real Estate Transactions** on **FLIE** platform



What is **FLIE**?

Flea market × Ie (houses in Japanese)

FLIE facilitates direct seller-to-buyer transactions, eliminating **brokerage fee**.

- One of the Japan's largest dedicated websites for real estate transactions
- Listing over 2,000 properties
- Nationwide expansion beyond Tokyo metropolitan area



<https://flie.jp/>

■ Introduced **Smaview**: A contactless **self-viewing system** enabling property viewing on smartphones anytime



Enabling proactive and **upfront investment** in **FLIE business** for medium- to long-term gains

Establishing a directly buyer-seller market connection



4-10 FLIE, Our Real Estate Direct Sales Platform II Intellex つぎの価値を測る。

■ Unveiling **FLIE ONE** – revolutionizing **real estate DX** with our **integrated DX service**

Building the Future - All-In-One Platform Centered on FLIE ONE

- FLIE ONE is a comprehensive support service catering to real estate brokers, providing solutions for property management, property viewings and sales support
- Bringing together the best of both worlds, FLIE ONE seamlessly integrates online and offline services, propelling your real estate business to new heights.



Achieve a cohesive integration of related services by listing properties on FLIE, our advanced real estate trading platform.

Photo/video shooting + property cleaning

Capture the essence of properties from the buyer's perspective through professional photo and video shoots, ensuring a compelling portrayal of their appeal.

Enhance property aesthetics and upkeep with regular cleaning services.



FLIE Property Inquiry

Experience streamlined property management with *FLIE Property Inquiry* as it automatically links properties registered on FLIE to a confirmation system. Prices and sales status are synchronized in real-time, simplifying property management processes.

The Japanese name of “Flie Property Inquiry” is “FLIE de Bukkaku”, an abbreviation for “FLIE Property Confirmation System”

Smaview



Introducing *Smaview*, our innovative self-viewing system for brokerage companies. Eliminate the need for physical keys, significantly reducing the risks associated with key exchanges.

4-11 Our Circular Renovation Model

Intellex Group creates a circular economy through renovation

Together with Stakeholders

Our stakeholders are our partners
We **×** co-create new value with our partners

For a Sound Market

We promote DX conversion of real estate transactions in order to create a transparent renovation platform where more participants can trade
= fairly



For Our Environment and Society

We **−** reduce CO₂ through renovation

Enriched Life for Everyone

Through renovation, we **+** create a space that satisfies each individual and enhances QOL

5. **Appendix** (Reference)

5-1 Summary of Consolidated Quarterly Results

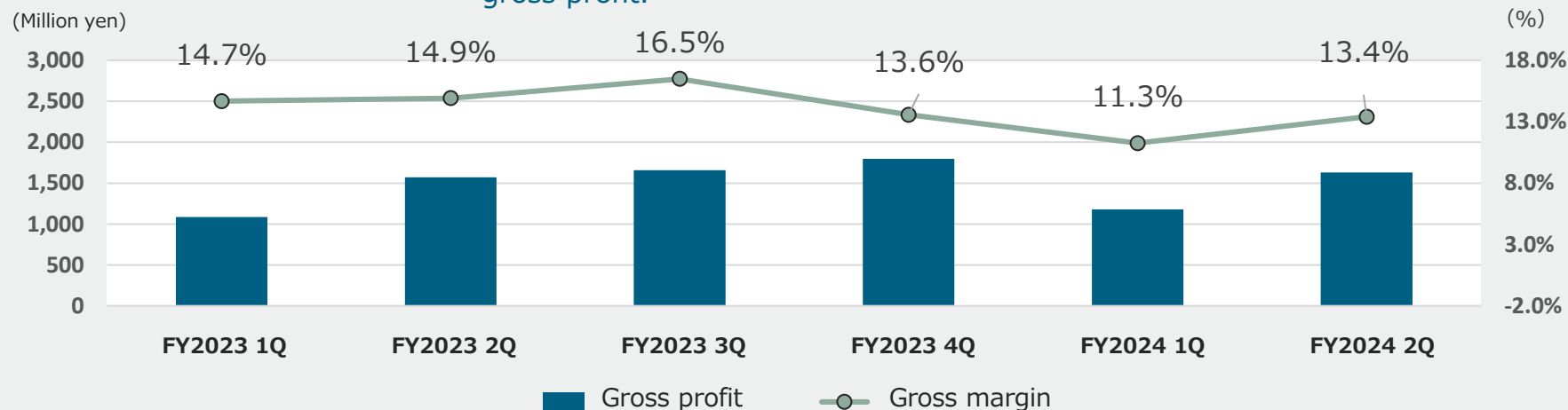
■ Trends of consolidated results

(Million yen)

| | FY2023 1Q | | FY2023 2Q | | FY2023 3Q | | FY2023 4Q | | FY2024 1Q | | FY2024 2Q | |
|------------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|
| | Million ¥ | Sales ratio | Million ¥ | Sales ratio | Million ¥ | Sales ratio | Million ¥ | Sales ratio | Million ¥ | Sales ratio | Million ¥ | Sales ratio |
| Net sales | 7,401 | 100.0% | 10,526 | 100.0% | 10,060 | 100.0% | 13,248 | 100.0% | 10,483 | 100.0% | 12,186 | 100.0% |
| Gross profit | 1,085 | 14.7% | 1,570 | 14.9% | 1,659 | 16.5% | 1,797 | 13.6% | 1,180 | 11.3% | 1,630 | 13.4% |
| Operating profit | -41 | — | 230 | 2.2% | 161 | 1.6% | 359 | 2.7% | - 88 | — | 327 | 2.7% |
| Ordinary profit | -102 | — | 89 | 0.8% | 21 | 0.2% | 217 | 1.6% | - 131 | — | 235 | 1.9% |
| Net profit | -80 | — | 50 | 0.5% | - 22 | — | 123 | 0.9% | - 55 | — | 127 | 1.0% |

■ Trends of gross profit and gross margin

Gross margin is showing signs of recovery; with a YoY increase of 3.8% in gross profit.



5-2 Trends of Quarterly Profitability by Segment

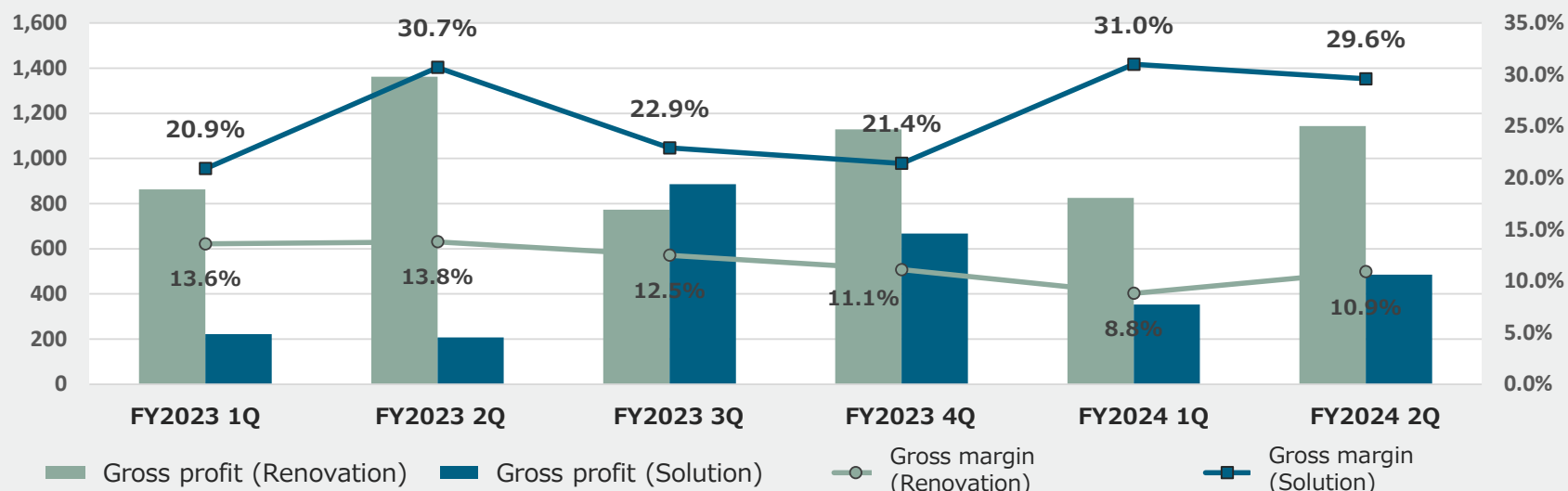
■ Trends of sales and gross profit by segment

(¥ million)

| | FY2023 1Q | | FY2023 2Q | | FY2023 3Q | | FY2023 4Q | | FY2024 1Q | | FY2024 2Q | |
|--------------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|
| | Sales | Gross margin | Sales | Gross margin | Sales | Gross margin | Sales | Gross margin | Sales | Gross margin | Sales | Gross margin |
| Renovation | 6,335 | | 9,849 | | 6,190 | | 10,126 | | 9,345 | | 10,540 | |
| Solution | 1,066 | | 677 | | 3,870 | | 3,122 | | 1,137 | | 1,645 | |
| Total sales | 7,401 | | 10,526 | | 10,060 | | 13,248 | | 10,483 | | 12,186 | |
| Renovation | 863 | 13.6% | 1,363 | 13.8% | 773 | 12.5% | 1,129 | 11.1% | 826 | 8.8% | 1,144 | 10.9% |
| Solution | 222 | 20.9% | 207 | 30.7% | 886 | 22.9% | 668 | 21.4% | 353 | 31.0% | 486 | 29.6% |
| Total gross profit | 1,085 | 14.7% | 1,570 | 14.9% | 1,659 | 16.5% | 1,797 | 13.6% | 1,180 | 11.3% | 1,630 | 13.4% |

■ Trends of gross profit and gross margin by segment

(¥ million)



5-3 Sales Results by Segment

(Million ¥)

| Segment | Sales categories | FY2023 | | FY2024 | | Year-on-year changes | |
|---------------------|------------------|--------|--------|--------|--------|----------------------|-------------------------|
| | | Amount | Ratio | Amount | Ratio | Increase/decrease | Increase/decrease ratio |
| Renovation Business | Property sales | 15,178 | 84.7% | 18,627 | 82.2% | 3,449 | + 22.7% |
| | Rents | 78 | 0.4% | 52 | 0.2% | - 25 | - 33.0% |
| | Others | 927 | 5.2% | 1,206 | 5.3% | 279 | + 30.1% |
| | Subtotal | 16,184 | 90.3% | 19,886 | 87.7% | 3,702 | + 22.9% |
| Solution Business | Property sales | 1,046 | 5.8% | 1,549 | 6.8% | 502 | + 48.0% |
| | Rents | 499 | 2.8% | 525 | 2.3% | 26 | + 5.3% |
| | Others | 197 | 1.1% | 708 | 3.1% | 511 | + 259.4% |
| | Subtotal | 1,743 | 9.7% | 2,783 | 12.3% | 1,040 | + 59.7% |
| Total | Property sales | 16,225 | 90.5% | 20,177 | 89.0% | 3,952 | + 24.4% |
| | Rents | 577 | 3.2% | 578 | 2.6% | 0 | + 0.1% |
| | Others | 1,124 | 6.3% | 1,914 | 8.4% | 790 | + 70.3% |
| | Total | 17,927 | 100.0% | 22,670 | 100.0% | 4,742 | + 26.5% |

■ Renovation Business:

- Renovation, resale, leasing and brokerage of pre-owned condominiums and houses
- Renovation business
- FLIE (real estate direct transaction platform) business

■ Solution Business:

- Development, sales, leasing, management and brokerage of other real estate (buildings, lands, etc).
- Development and sales of newly built condominiums
- Leaseback Business
- Asset Sharing Business
- Hotel & accommodation business

5-4 Gross Margin by Segment

(Million ¥)

| Segment | Sales categories | 1st half of FY2023 | | 1st half of FY2024 | | Year-on-year changes | |
|---------------------|------------------|--------------------|--------------|--------------------|--------------|----------------------|-------------------------|
| | | Amount | Gross margin | Amount | Gross margin | Increase/decrease | Increase/decrease ratio |
| Renovation Business | Property sales | 2,071 | 13.6% | 1,820 | 9.8% | - 250 | - 12.1% |
| | Rents | 56 | 71.4% | 34 | 66.5% | - 21 | - 37.6% |
| | Others | 98 | 10.6% | 115 | 9.6% | 16 | + 16.9% |
| | Subtotal | 2,226 | 13.8% | 1,971 | 9.9% | - 255 | - 11.5% |
| Solution Business | Property sales | 141 | 13.5% | 338 | 21.8% | 197 | + 139.3% |
| | Rents | 256 | 51.3% | 255 | 48.7% | 0 | - 0.2% |
| | Others | 32 | 16.4% | 245 | 34.7% | 213 | + 658.5% |
| | Subtotal | 430 | 24.7% | 840 | 30.2% | 409 | + 95.3% |
| Total | Property sales | 2,213 | 13.6% | 2,159 | 10.7% | - 53 | - 2.4% |
| | Rents | 312 | 54.1% | 290 | 50.3% | - 21 | - 6.9% |
| | Others | 131 | 11.6% | 360 | 18.8% | 229 | + 175.5% |
| | Total | 2,656 | 14.8% | 2,811 | 12.4% | 154 | + 5.8% |

■ Renovation Business:

- Renovation, resale, leasing and brokerage of pre-owned condominiums and houses
- Renovation business
- FLIE (real estate direct transaction platform) business

■ Solution Business:

- Development, sales, leasing, management and brokerage of other real estate (buildings, lands, etc).
- Development and sales of newly built condominiums
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- Hotel & accommodation business

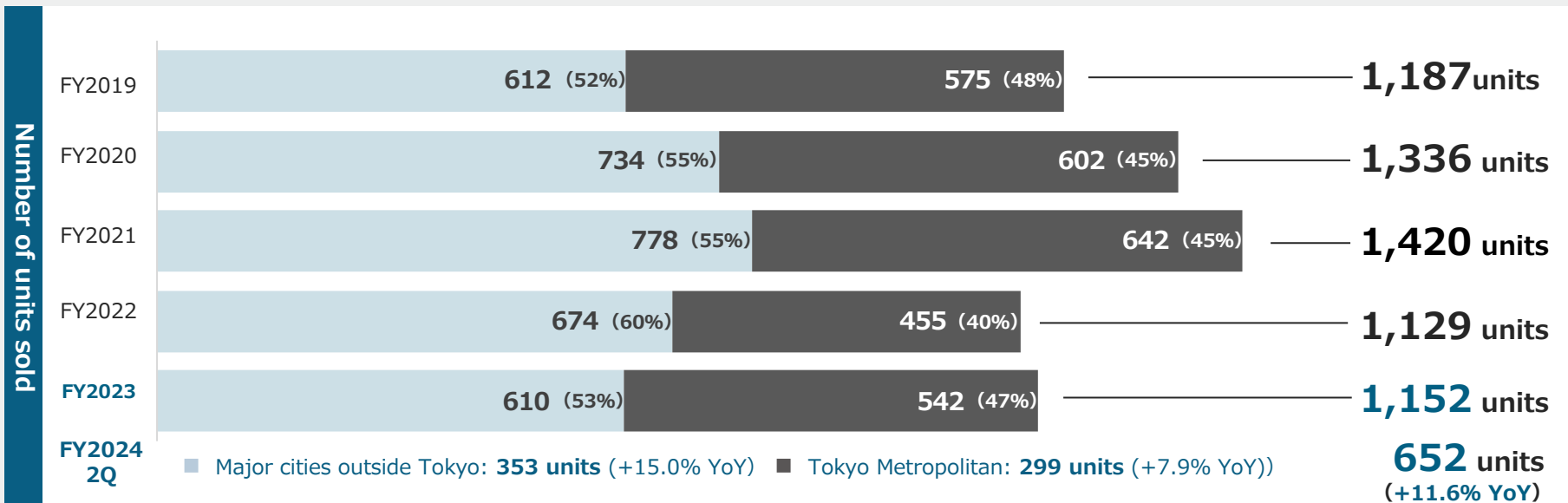
5-5 Sales of Renovated Condominiums

Major cities outside Tokyo

| | | |
|---------|-----------|---------|
| Sapporo | Sendai | Nagoya |
| Osaka | Hiroshima | Fukuoka |

Metropolitan Tokyo

| | |
|----------|-------------------|
| Shibuya | Nihombashi, Tokyo |
| Yokohama | |



1st half of FY2024 results

- Sales: With a notable uptick, the number of units sold reached 652, reflecting an 11.6% year-on-year increase. This positive trend was observed both the Tokyo metropolitan area and major cities outside of Tokyo.
- Sales performance saw a boost, driven by proactive efforts to enhance business turnover rates through active sales initiatives.

5-6 Property Sales I

■ Number of units sold

| | 1st half of FY2023 | 1st half of FY2024 | Year-on-year changes |
|--------------------------------|-----------------------|-----------------------|-------------------------|
| Renovated Condominiums | 584 | 652 | +11.6% |
| Other real estates ※ | 11 | 15 | +36.4% |
| Total no. of units sold | 595 | 667 | +12.1% |

※ Other real estates include: buildings, houses, lands, newly build condominiums, Asset Sharing properties, Leaseback properties, etc.

■ Sales Summary of Renovated Condominium sales

| | 1st half of FY2023 | 1st half of FY2024 | Year-on-year changes |
|----------------------------------|-----------------------|-----------------------|-------------------------|
| Average age (year) | 34.0 | 33.5 | - 0.5 |
| Average land area (㎡) | 64.9 | 66.7 | + 1.8 |
| Average sales price (thousand ¥) | 26,096 | 28,569 | + 2,473 |

5-7 Property Sales II

■ Sales of Renovated Condominiums by area

| Area | 1st half of FY2023 | | | 1st half of FY2024 | | | |
|---------------------------------|--------------------|---------------|----------------------------|--------------------|---------------|---------------|----------------------------|
| | No. of units sold | Area share | Average price per unit (¥) | No. of units sold | YoY changes | Area share | Average price per unit (¥) |
| Tokyo 23 wards | 133 | 22.8% | 37 million | 142 | +6.8% | 21.8% | 43 million |
| Greater Tokyo | 25 | 4.3% | 26 million | 29 | +16.0% | 4.4% | 33 million |
| Kanagawa | 80 | 13.7% | 25 million | 88 | +10.0% | 13.5% | 27 million |
| Saitama | 25 | 4.3% | 22 million | 28 | +12.0% | 4.3% | 26 million |
| Chiba | 14 | 2.4% | 24 million | 12 | - 14.3% | 1.8% | 29 million |
| Tokyo Metropolitan total | 277 | 47.4% | 31 million | 299 | +7.9% | 45.9% | 35 million |
| Sapporo area | 65 | 11.1% | 19 million | 64 | - 1.5% | 9.8% | 19 million |
| Sendai area | 46 | 7.9% | 24 million | 47 | +2.2% | 7.2% | 23 million |
| Nagoya area | 39 | 6.7% | 17 million | 47 | +20.5% | 7.2% | 18 million |
| Osaka area | 100 | 17.1% | 22 million | 102 | +2.0% | 15.6% | 25 million |
| Hiroshima area | 17 | 2.9% | 21 million | 25 | +47.1% | 3.8% | 23 million |
| Fukuoka area | 40 | 6.8% | 23 million | 68 | +70.0% | 10.4% | 21 million |
| Major local cities total | 307 | 52.6% | 21 million | 353 | +15.0% | 54.1% | 22 million |
| Total | 584 | 100.0% | 26 million | 652 | +11.6% | 100.0% | 28 million |

5-8 Property Purchases I

■ Summary of property purchases

| Segments | 1st half of FY2023 | | 1st half of FY2024 | | | |
|------------------------|--------------------|--------------|--------------------|-------------|--------------------|-------------|
| | No. of units | Amount ¥ | No. of units | YoY changes | Amount ¥ | YoY changes |
| Renovated Condominiums | 680 | 12.2 billion | 348 | - 48.8% | 6.4 billion | - 47.7% |
| Other real estates | 0 | 0 billion | 3 | — | 0.2 billion | — |
| Total | 680 | 12.2 billion | 351 | - 48.4% | 6.7 billion | - 45.3% |

- In the transition from the fourth quarter of FY2023 to the beginning of FY2024, we curtailed purchases, talking into account the inventory status of Renovated Condominiums
- Presently, we have adopted a more assertive approach to procurement, actively driving purchasing activities to support current initiatives,

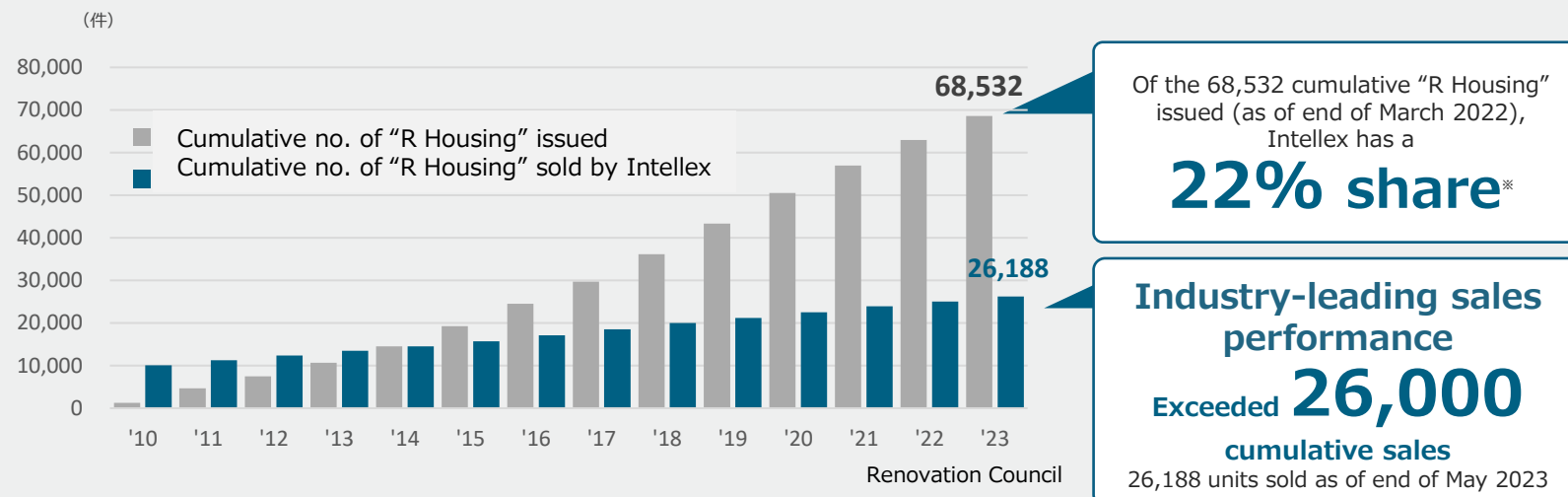
5-9 Property Purchases II

■ Purchases of Renovated Condominiums by area

| Area | 1st half of FY2023 | | | 1st half of FY2024 | | | |
|---|--------------------|---------------|------------------------|--------------------|----------------|---------------|------------------------|
| | No. of purchases | Area share | Average unit price (¥) | No. of purchases | YoY changes | Area share | Average unit price (¥) |
| Tokyo 23 wards | 149 | 21.9% | 29 million | 66 | - 55.7% | 19.0% | 30 million |
| Greater Tokyo | 20 | 2.9% | 24 million | 22 | +10.0% | 6.3% | 19 million |
| Kanagawa | 80 | 11.8% | 18 million | 58 | - 27.5% | 16.7% | 23 million |
| Saitama | 27 | 4.0% | 21 million | 18 | - 33.3% | 5.2% | 19 million |
| Chiba | 19 | 2.8% | 19 million | 2 | - 89.5% | 0.6% | 15 million |
| Tokyo Metropolitan total | 295 | 43.4% | 24 million | 166 | - 43.7% | 47.7% | 25 million |
| Sapporo area | 83 | 12.2% | 11 million | 41 | - 50.6% | 11.8% | 8 million |
| Sendai area | 52 | 7.6% | 12 million | 29 | - 44.2% | 8.3% | 11 million |
| Nagoya area | 42 | 6.2% | 10 million | 20 | - 52.4% | 5.7% | 10 million |
| Osaka area | 115 | 16.9% | 14 million | 51 | - 55.7% | 14.7% | 15 million |
| Hiroshima area | 26 | 3.8% | 14 million | 9 | - 65.4% | 2.6% | 18 million |
| Fukuoka area | 67 | 9.9% | 13 million | 32 | - 52.2% | 9.2% | 12 million |
| Major cities outside Tokyo total | 385 | 56.6% | 13 million | 182 | - 52.7% | 52.3% | 12 million |
| Total | 680 | 100.0% | 18 million | 348 | - 48.8% | 100.0% | 18 million |

5-10 Our Sales Performance and “R Housing” Issuance Numbers

■ Renovated Condominium sales results (by fiscal year) and cumulative number of “R Housing” issued by Renovation Council



■ FY2022 “R housing” issuance ranking

| No | Company name | No. of units | Business type | Business area |
|----|-------------------------|--------------|-----------------|---------------|
| 1 | Intellex | 1,039 | Purchase/resale | Nationwide |
| 2 | Daikyo Anabuki | 937 | Purchase/resale | Nationwide |
| 3 | F Stage | 695 | Purchase/resale | Metropolitan |
| 4 | Future City Development | 495 | Purchase/resale | Metropolitan |
| 5 | Renoveru | 273 | Contractor | Nationwide |

Our **Renovated Condominiums** has **standardized** “conforming renovation housing (R housing)” that meets the excellent renovation quality standards set by Renovation Council.

Intellex achieves **3-year consecutive No.1 ranking** in R Housing issuance



- Our primary focus is on providing safety and secure housing.
- We take pride in leading the industry by establishing
- standardized warranty periods.

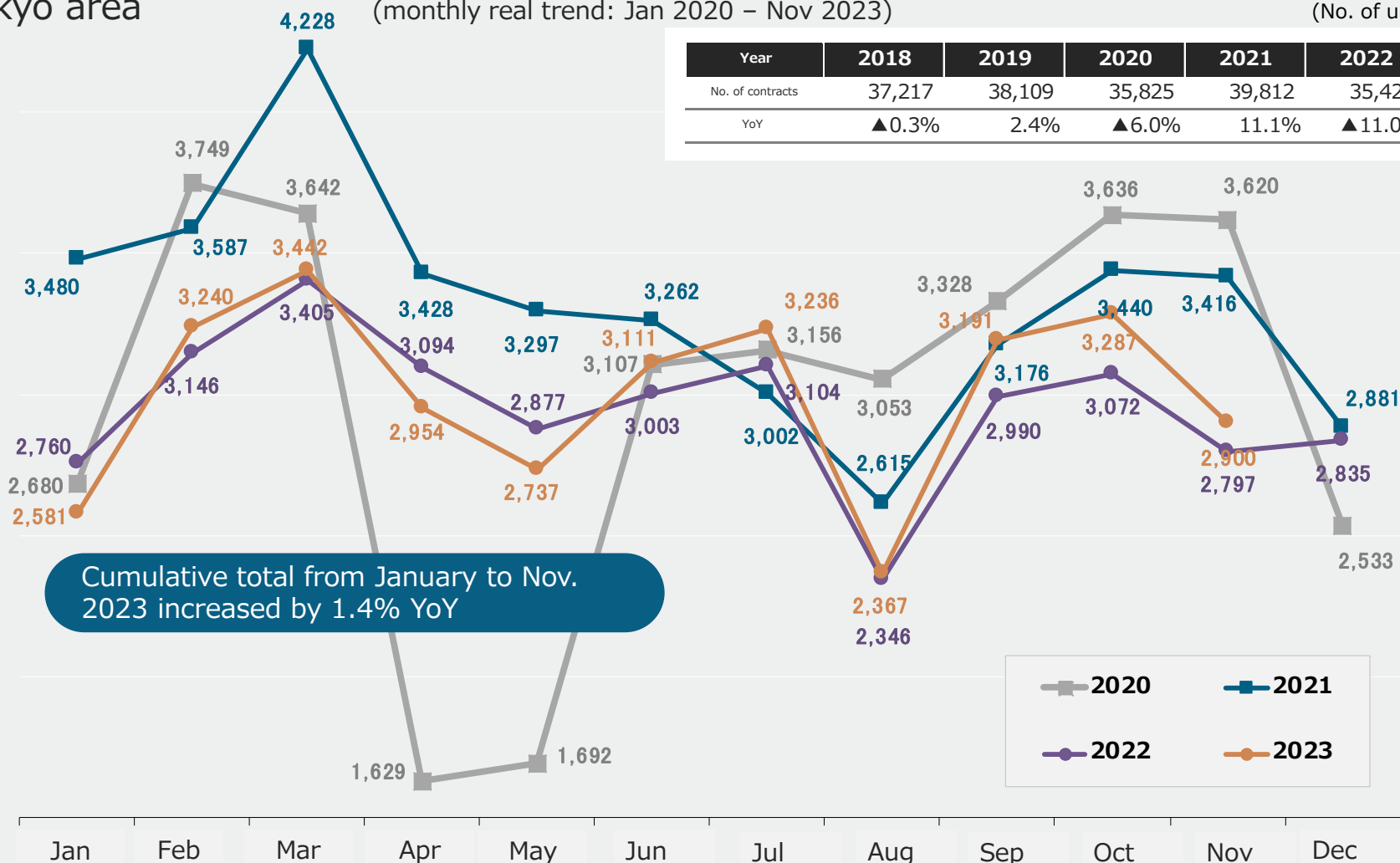
※Created from materials published by the Renovation Council on June 28, 2023
“The number of “R housing” issued that meet the quality standards of excellent renovation reached 5,623 in FY2022, exceeding 68,000 in total over 14 years”

5-11 Trends in the Pre-owned Condominium Market

(Monthly Progression)

■ Number of closed contracts of pre-owned condominiums in the Metropolitan Tokyo area (monthly real trend: Jan 2020 – Nov 2023) (No. of units)

| Year | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------|--------|--------|--------|--------|--------|
| No. of contracts | 37,217 | 38,109 | 35,825 | 39,812 | 35,429 |
| YoY | ▲0.3% | 2.4% | ▲6.0% | 11.1% | ▲11.0% |



※ Created by Intellex based on data published by Real Estate Information Network System

5-12 Asset Sharing Series

■ Cumulative composition amount of Asset Sharing series is ¥8,060 million (as of Nov. 2023)

| | Operating | Operating | Operating | Operating | Redeemed | Redeemed | Operating | Operating |
|----------------------|---|---|---|--|---|---|---|---|
| | Harajuku | Yokohama Motomachi | Shibuya Aoyama | Kitasenju | Kyomachiya 1 | Hakata | Sangenjaya | Sapporo |
| Outlook |  |  |  |  |  |  |  |  |
| Name | Social Apartments Harajuku | MID Yokohama Motomachi | Aoyama Luka Building | Urbain Tokyo Ueno Kitasenju | Nagaya Chawanzaka, etc. | SunHeim21 Hakata (montan HAKATA) | Laspacio Sangenjaya | LILAC Ichibankan |
| Type | Share house | Commercial | Commercial | Business hotel | Inn | Hotel & residence | Residence | Residence |
| Address | Shibuya, Tokyo | Yokohama, Kanagawa | Shibuya, Tokyo | Adachi, Tokyo | Kyoto | Hakata, Fukuoka | Setagaya, Tokyo | Sapporo, Hokkaido |
| Access | 5 min. walk from Kitasando Sta. | 5 min. from Motomachi Chinatown Sta. | 7 min. from Omotesando Sta. | 4 min. from Kitasenju Sta. | Walkable from various stations | 8 min. from Hakata Sta. | 10 min. from Sangenjaya sta. | 13 min. from Sapporo sta. |
| Gross rate of return | 4.5% | 5.2% | 4.5% | 5.1% | Performance-linked | 6.1% | 4.3% | 5.2% |
| Price/unit | ¥800 million /800 units | ¥1,050 million /1,050 units | ¥1,250 million /1,250 units | ¥1,900 million /1,900 units | ¥480 million /480 units | ¥1,500 million /1,500 units | ¥600 million /600 units | ¥480 million /480 units |

※ Gross rate of return is the ratio of annual rental income to the total amount offered. In addition, the yield shown is the one at the time of offering.

5-13 Corporate Governance & Investor Relations for Enhanced Corporate Value

■ Enhancement of Corporate Governance

➤ We aim to improve corporate value by proactively working based on the principles of the Corporate Governance Code

- A [new management committee](#) has been established to complement the functions of the Board of Directors and make flexible management decisions ⇒Deliberate and consider basic policies and important matters related to business execution, and aim to strengthen the governance system
- The Sustainability Committee forms teams for each issue and responds to them

Team E: works on environmental issue projects→Implemented [CDP response and TCFD disclosure](#) from FY2024

Team SG (social issue): Started formulating policies and initiatives for implementing [human capital management](#)

■ Strengthening IR Activities

➤ Elevating corporate value through the proactive dissemination of Investor Relation information and cultivating engagement with investors on a medium- to long-term perspective, following the announcement of our medium-term management plan

- Fostering awareness and comprehension among investors regarding the alignment of our core business with [environmental sustainability](#)
- Facilitating the recognition and understanding of our [industry-leading energy-efficient renovation initiative, ECOCUBE](#), among investors.
 - Corporate investors: Drawing medium- to long-term ESG investors to strengthen our investor base.
 - Individual investors: Broadening recognition as a [sustainable company](#), capturing a wider audience in the market.

5-14 Business Overview of Intellex Group

- With our corporate vision “Enriched Life for Everyone Through Renovation,” we strive to solve social issues with businesses that take advantage of our strengths

Renovation Business

Renovation-related business,
a core of Intellex group

Renovated Condominium Business

Sales of high-quality renovated condominiums

Renovation & Decoration Business

Freely order your home renovation

Renovation Platform Initiative

Building a foundation for revitalizing
renovation market

Warranty

Long-term
warranty for
up to 20 years

Industry group

Leadership in
Renovation
Council

Product development

ECOCUBE
etc.

Partnership

Construction
cooperation
association, **FLIE**,
franchising

Solution Business

We offer value-added **solutions**
for various types of real estate asset management

Asset Business

Revitalization of qualitative properties through renovation

Leaseback Business

Asset utilization that enables selling without moving out

Asset Sharing Business

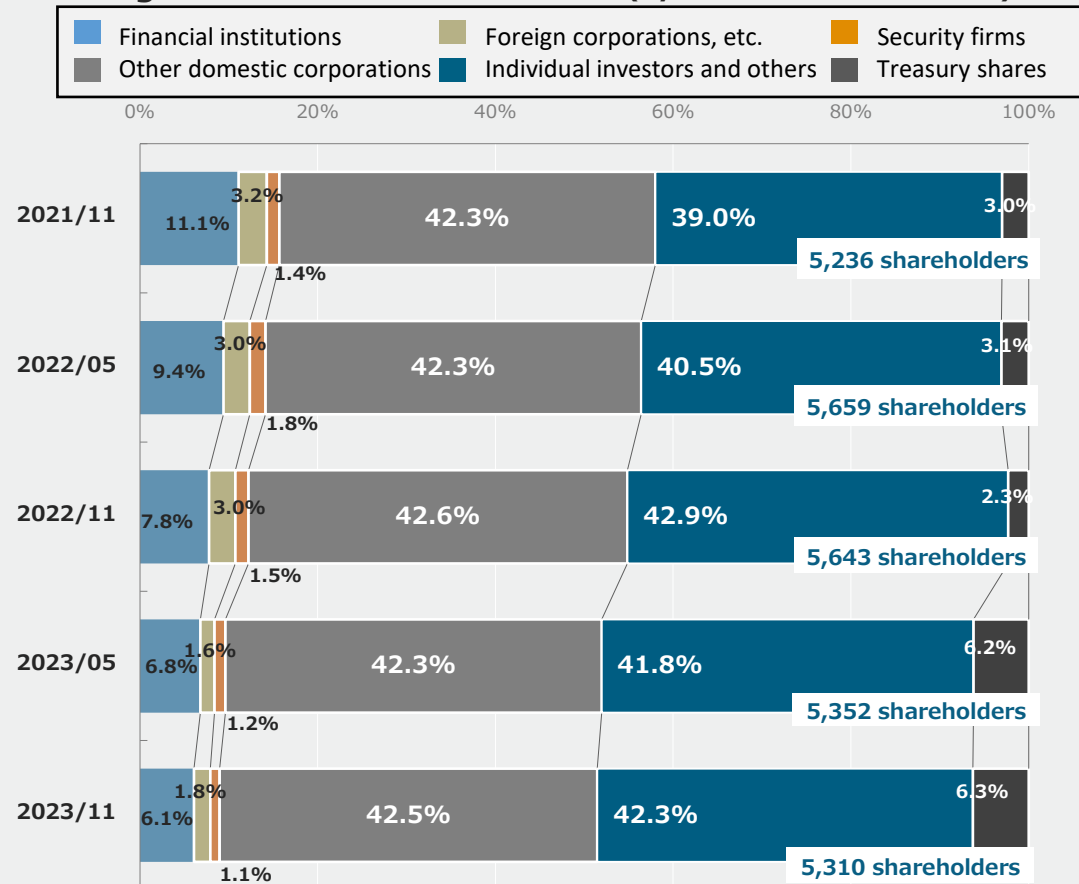
Qualitative and inexpensive real estate asset management

Hotel & Accommodation Business

Providing a relaxing time at our hotels and
accommodation

5-15 Share Information

Changes in shareholder structure (by number of shares held)



- Domestic institutional investors: **-0.5 points** (8.4 % ⇒ 7.9%)
- Individual investors: **+0.5 points** (41.8% ⇒ 42.3%)
- Treasury shares: holds **560,409 shares** (6.3%)

Major shareholders

(As of Nov. 30, 2023)

| Major shareholders | Number of shares held | Voting rights ratio (%) |
|--|-----------------------|-------------------------|
| 1 E-alliance Co., Ltd. | 3,594,500 | 42.94 |
| 2 The Master Trust Bank of Japan, Ltd. (Trust account) | 476,300 | 5.69 |
| 3 Intellex Employees' Share Ownership Association | 191,500 | 2.29 |
| 4 Seigo Naito | 131,500 | 1.57 |
| 5 KITAZAWA SANGYO CO., LTD. | 71,400 | 0.85 |
| 6 Junko Kitagawa | 66,600 | 0.80 |
| 7 THE BANK OF NEW YORK MELLON 140042 | 61,600 | 0.74 |
| 8 Hideki Utou | 60,400 | 0.72 |
| 9 THE BANK OF NEW YORK MELLON 140040 | 57,000 | 0.68 |
| 10 Takuya Yamamoto | 54,400 | 0.65 |

*Ratio of voting is calculated deducting 557,909 treasury shares

- Shares issued : **8,932,100 shares**
- No. of shareholders : **5,310** (-42 since May 2023)

5-16 Corporate Profile I and History

Company profile

| | |
|--|---|
| ■ Company name | Intellex, Co., Ltd |
| ■ Established | July 17, 1995 |
| ■ President | Seiji Toshinari |
| ■ Capital | ¥2,253 million |
| ■ Issued shares | 8,932,100 shares |
| ■ Listed | Standard section of Tokyo Stock Exchange |
| ■ Fiscal year end | May 31 |
| ■ Branches | Shibuya, Sapporo, Sendai, Tokyo Nihombashi, Yokohama, Nagoya, Osaka Kyoto, Hiroshima, Fukuoka |
| ■ Employees | 315 (consolidated), 201 (non-consolidated) As of Nov. 30, 2023 |
| ■ Permits | [Real Estate Transaction License] Minister of Land, Infrastructure, Transport and Tourism (5) No. 6392 [Real estate specified joint venturer license] Tokyo Governor No. 97 |
| ■ Membership of professional institutions | Renovation Council Metropolitan Real Estate Fair Trade Council, Public Interest Incorporated Association National Housing Industry Association Association for Real Estate Securitization |

| Jul 95 | Established Prestage Co., Ltd., as a renovation specialist in Setagaya, Tokyo, with capital of ¥10 million |
|---------|---|
| Feb 96 | Certified by the Governor of Tokyo as a house agent (Reg#(1)73719) and started Renovated Condominium Business |
| Jul 96 | Changed company name to Intellex Co., Ltd. |
| Feb 98 | Established Intellex Space Plan Co., Ltd. (later subsidized by Intellex Co., Ltd.) |
| July 00 | Implemented in-house General Management System to manage real estate properties under management |
| Feb 03 | Established Branch in Nishi-ku, Yokohama |
| Feb 03 | Certified by Minister of Land, Infrastructure and Transport as a house agent (Reg#(1)6392, later changed to #(4)6392) |
| Jun 03 | Absorbed Central Plaza Co., Ltd., in merger |
| Apr 05 | Listed in JASDAQ Securities Exchange (code#8940) |
| May 07 | Listed in the Second Section of Tokyo Stock Exchange |
| Jul 09 | Joined the General Incorporated Association Renovation Housing Promotion Council at the time of establishment |
| Mar 15 | Obtained permission based on the Real Estate Specified Joint Enterprise Law (Governor of Tokyo permission) |
| Apr 15 | Established Intellex Property Co., Ltd. (consolidated subsidiary) |
| Jun 16 | Listed in the First Section of Tokyo Stock Exchange |
| Jan 18 | Established Intellex Credit Guarantee Co., Ltd. (consolidated subsidiary) (currently Saisei Jutaku Partners, Co., Ltd.) |
| Nov 19 | Established FLIE Co., Ltd. (consolidated subsidiary) |
| Jan 21 | Established Intellex TEI Co., Ltd. (currently TEI Japan Co., Ltd.)(consolidated subsidiary) |
| Feb 22 | Established RECO SYS, Inc. (consolidated subsidiary) |
| Apr 22 | Listed in the Prime Section of Tokyo Stock Exchange |
| Mar 23 | Absorbed Intellex Housing Co., Ltd. in merger |
| Oct 23 | Changed listing market to Standard Section of Tokyo Stock Exchange |

Group companies

■ Intellex Space Design, Inc.

- Business areas Interior Decoration (Interior Industry), Design, Coordination
- Permits [First-class Kenchikushi Office Registration] Tokyo Governor Permit No. 52796
[General Construction Operator Permit] Tokyo Governor Permit (General-2) No. 152419
Interior Finishing Work Business
[Specified Construction Industry Permit] Tokyo Governor Permit (Special-2) No. 152419
Construction Business, Painting Business, Waterproofing Business
- Memberships Renovation Council General Incorporated Association

■ Intellex Properties Co., Ltd.

- Business areas Real Estate Management Business
- Permits [Real Estate Transaction License] Governor of Tokyo (2) No. 99689
[Rental Housing Management Company Registration] Minister of Land, Infrastructure, Transport and Tourism (02) No. 002468
- Memberships Public Interest Incorporated Association Tokyo Real Estate Brokers Association
Metropolitan Real Estate Fair Trade Council, Public Interest Incorporated Association

Group companies

■ FLIE CO., Ltd.

- Business areas Operation of Real Estate Buying and Selling Platform
Real Estate Buying and Selling Support Agent
- Permits [Real Estate Transaction License] Governor of Tokyo (1) No. 104498

■ RECOSYS, Inc.

- Business areas Energy Efficient Renovation Franchise Business

■ TEI Japan Co., Ltd.

- Business areas Consulting Business Regarding Thermal Environment and Energy Efficiency of Buildings
- Permits [First-class Kenchikushi Office Registration] Tokyo Governor Permit No. 65665

■ SAISEI JUTAKU PARTNERS Co., Ltd.

- Business areas Real Estate Buying and Selling, Real Estate Rental Business, Real Estate Consulting
- Permits [Real Estate Broker License] Minister of Land, Infrastructure,
Transport and Tourism (1) No. 10418

For IR-related inquiry, please contact:
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<https://www.intellex.co.jp/>

The information contained in these materials is based on data available as of January 2024 and certain assumptions and judgments made by the management of Intellex at the time these materials were created and is subject to change without notice. Accordingly, you should not rely solely on this information when making any projection about Intellex's business results, etc. Furthermore, please be reminded that any investment decisions ultimately must be made based on your own decision.