

# Completing Attending and Voting at General Meetings of Management Associations Online as the First Case in the Industry

#### DAIKYO ASTAGE and ANABUKI COMMUNITY to Introduce a Residents Service, POCKET HOME

TOKYO, Japan - March 8, 2023-DAIKYO ASTAGE INCORPORATED ("DAIKYO ASTAGE") and ANABUKI COMMUNITY INCORPORATED ("ANABUKI COMMUNITY") announced that they will be introducing POCKET HOME ("the service"), a service for condominium residents that allows condominium management associations to hold general meetings in an online format using the application. The service will be offered free of charge to the approximately 540,000 condominium units that DAIKYO ASTAGE and ANABUKI COMMUNITY are entrusted to manage nationwide.

Under the theme of "Take your home with you, anytime, anywhere", the service offers a total of six functions including a condominium online conference which allows residents to attend and vote at general meetings online, inquiries via LINE, Al-based home assessment and more, processing various procedures related to housing on the application. This will improve residents' satisfaction and asset value by increasing attendance at general meetings and reducing labor.

An online general meeting service which allows general meetings of management associations to be viewed online was introduced as a trial in July 2020\*1. In June 2021, The Standard Condominium Management Bylaws were revised\*2 to clarify that IT can be used to attend general meetings and exercise voting rights, and this enabled the inclusion of functions that even allow voting. This is the first service in the industry\*3 that allows residents to complete the process of notifying attendance, attending, and voting (including voting by on-site attendees) for general meetings on a single application, and to centrally aggregate the results. A patent for business-related inventions as a support system for condominium general meetings is pending.



Example image of POCKET HOME

DAIKYO ASTAGE and ANABUKI COMMUNITY have started the MiDD Project in June 2022 to embark on the development of a next-generation condominium management service using digital transformation (DX) in response to social issues—such as the three "aging" (aging buildings, aging residents, and aging workforce)—that beset condominiums. The service has been realized by accumulating a variety of opinions from residents as well as by utilizing the knowledge and expertise of the companies boasting the largest number of units under management.

DAIKYO ASTAGE and ANABUKI COMMUNITY will propose new ways of condominium management and addressing social issues in the future.

- \*1 DAIKYO ASTAGE and ANABUKI COMMUNITY Begins Development of Next-Generation Condominium Management Service Using Digital Transformation (June 11, 2020)
- \*2 Website of Ministry of Land, Infrastructure, Transport and Tourism, "Revision of the Standard Condominium Management Bylaws" (in Japanese)
- \*3 According to the research by DAIKYO ASTAGE and ANABUKI COMMUNITY

#### 1. About Residents Service, POCKET HOME

POCKET HOME is a service provided by DAIKYO ASTAGE and ANABUKI COMMUNITY for condominium residents and unit owners. In addition to the condominium online conference with attendance and resolution functions to online general meetings, a total of six functions are available including AI-based home assessment, inquiries via LINE, FAQ, applications for various procedures and notices. The application can be used by downloading the "homehub" application from Bitkey Inc. (Head Office: Chuo-ku, Tokyo; Representative Director: Yuki Ejiri, Masaki Fukuzawa and Masanori Hotsuki) and linking one's ID from the existing websites (DAIKYO ASTAGE: Kurashi Square, ANABUKI COMMUNITY: Surpass Net and Kurashi Square with ANABUKI COMMUNITY).

• Service target: approximately 540,000 condominium units that DAIKYO ASTAGE and ANABUKI COMMUNITY are entrusted to manage

Service fee: free

# Overview of "homehub"

It is a connection platform that resolves the divide between daily life and services and products by "connecting" them in order for each person to lead a comfortable life. It is not limited to services and products provided by Bitkey Inc., but also works with various



products and services such as contactless delivery and housekeeping services to realize a seamless lifestyle.

# ■ Bitkey Inc. Profile

Head office: Tokyo Square Garden 9F, 3-1-1 Kyobashi, Chuo-ku, Tokyo

Representative: Yuki Ejiri, Representative Director and CEO

Masaki Fukuzawa, Representative Director and COO Masanori Hotsuki, Representative Director and CCO

Established: August 1, 2018

Description of business: Planning, design and development of digital connect platforms

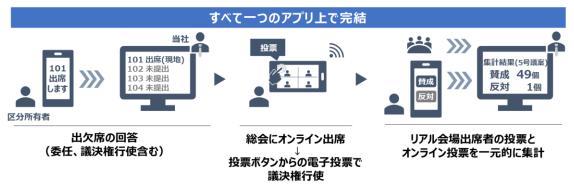
Development, sales and operation of connect platforms in the areas of home, workspace and experience. Development, sales and operation of products and

services collaborated with the above platforms



# 2. About the patent-pending function of the condominium online conference for business related inventions

The condominium online conference allows residents to view general meetings of management associations online and exercise their voting rights, thus completing a series of procedures related to general meetings online. Until now, there were only three patterns for unit owners to express their intentions at general meetings: (1) delegate in writing, (2) exercise voting rights in writing, and (3) express approval or disapproval by attending the meeting in person. However, The Standard Condominium Management Bylaws were revised in June 2021\*2 to clarify that it is possible to attend general meetings and exercise voting rights using IT, and this prompted the provision of this function. The service's attendance and voting response functions, general meeting attendance function, and electronic voting function allow residents to express their intentions online. (This is also usable at board meetings)



Example image of the condominium online conference

# 3. Background of the Planning of Each Function of POCKET HOME

In planning the service, UX (user experience) design methods were used to analyze from the user's perspective, "how can users quickly get to the information they want and continue to use the service?" In addition, two new functions have been added in response to residents' feedback and requests.

#### (1) The inquiry function via LINE

This was created in response to the following comments: "I often use chat consultations with companies", "It is convenient to be able to explain a problem using images", and "I want to use chat and phone depending on the level of urgency." When residents send inquiries about equipment problems in their exclusive areas via LINE talk, a chatbot will automatically answer them. If the problem is not resolved by the automated response, a repair specialist can respond to the resident individually via chat or phone, and can even complete the process of arranging and scheduling a repair contractor. (Adding the official LINE account as a friend is necessary to use the service.)



Example image of inquiries via LINE

### (2) The Al-based home assessment function

This was created in response to comments such as "I am curious about how much my home is worth now, but I have never inquired about it before because I don't want to get sales calls." The current price (reference) of their condominiums can be checked in conjunction with the condominium appraisal simulation of ORIX Group company, DAIKYO ANABUKI REAL ESTATE INCORPORATED.

\* No need to enter personal data such as contact information.

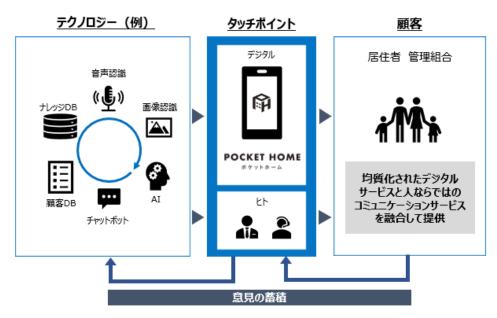


Example image of the Albased home assessment

# 4. About identifying and responding to issues in the condominium management

The following are the three "aging" besetting the condominium management industry: (1) increase in repair costs and shortage of management associations' reserve funds due to building deterioration; (2) greater difficulty for management associations to form consensus due to aging residents and diversity in resident attributes; and (3) manpower shortage due to an aging workforce. To solve these social issues, management companies will be required to offer services with high added value utilizing data and digital technologies in addition to their knowledge and expertise accumulated over the years, as well as the ability to support management association operation contributing toward forming smooth community consensus.

In order to handle the diversifying needs of residents, DAIKYO ASTAGE and ANABUKI COMMUNITY aim to create a new form of condominium lifestyle and fundamentally transform working styles by fusing homogeneous digital services using technology with communication services having the human touch.



Concept diagram of the next-generation condominium management service utilizing POCKETHOME

# ■ About demonstration experiments and system implementation of management services using DX that DAIKYO ASTAGE and ANABUKI COMMUNITY have been engaged in

(1) Provision of healthcare services supporting the health of residents using digital technologies

Support for the health of residents will be offered by collaborating with nearby pharmacies and other parties to link healthcare professionals—such as pharmacists—with residents using digital technologies to provide health-related advice, online health guidance, home delivery of medicine, prescription management, and other services.

Trial Implementation of AI-based Health Management Application Linked to Local Pharmacies (October 30, 2020)

# (2) Introduction of system for electronic agreements

With the introduction of the system for electronic agreements for documents executed between management associations and management companies, including management consignment contracts, the aim is to improve customer convenience and operational efficiency.

Condominium Management Contract Digitization Service to Launch on August 1 (July 1, 2020)

(3) Provision of facial recognition and one-time passcode building-entry systems (demonstration experiments) When DAIKYO ASTAGE and ANABUKI COMMUNITY partner companies enter work areas inside condominium premises to clean communal spaces, for example, or to carry out facility inspections, the systems will maintain security through the use of facial recognition and one-time passcodes, yet allow partner company employees to enter building premises without managers having to be present.

• <u>DAIKYO ASTAGE and ANABUKI COMMUNITY to Begin Trials of Facial Recognition and One-Time Passcode Building-Entry Systems</u> (December 18, 2020)

### **About MiDD Project**

DAIKYO ASTAGE and ANABUKI COMMUNITY are promoting the development of a next-generation condominium management service using DX, in response to social issues—such as the three "types of aging" (aging buildings, aging residents, and aging workforce)—that beset condominiums.



Based on the rich knowledge asset obtained from managing the largest number\*4 of units in the condominium management sector, this project promotes the development and implementation of management services, fusing the latest

technologies such as information communication technologies (ICT) and artificial intelligence (AI). Together with providing new residential services realizing condominium lifestyles of the future, it will create next-generation condominium management that aims to shift away from a labor-intensive management model, for example by streamlining and reducing manpower requirements. The project's name comes from Mirai (future), Digital, and Design which are the keywords from its concept of designing the future using digital technologies.

\*4 As of March 31, 2022, a combined total of 9,646 management associations and 541,194 units for DAIKYO ASTAGE and ANABUKI COMMUNITY

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#### **About ORIX:**

ORIX Corporation (TSE: 8591; NYSE: IX) is a financial services group which provides innovative products and services to its customers by constantly pursuing new businesses.

Established in 1964, from its start in the leasing business, ORIX has advanced into neighboring fields and at present has expanded into lending, investment, life insurance, banking, asset management, automobile related, real estate and environment and energy related businesses. Since entering Hong Kong in 1971, ORIX has spread its businesses globally by establishing locations in 28 countries and regions across the world.

Going forward, ORIX intends to utilize its strengths and expertise, which generate new value, to establish an independent ORIX business model that continues to evolve perpetually. In this way, ORIX will engage in business activities that instill vitality in its companies and workforce, and thereby contribute to society. For more details, please visit our website: <a href="https://www.orix.co.jp/grp/en/">https://www.orix.co.jp/grp/en/</a> (As of September 30, 2022)

# **Caution Concerning Forward Looking Statements:**

These documents may contain forward-looking statements about expected future events and financial results that involve risks and uncertainties. Such statements are based on our current expectations and are subject to uncertainties and risks that could cause actual results that differ materially from those described in the forward-looking statements. Factors that could cause such a difference include, but are not limited to, those described under "Risk Factors" in the Company's annual report on Form 20-F filed with the United States Securities and Exchange Commission and under "(4) Risk Factors" of the "1. Summary of Consolidated Financial Results" of the "Consolidated Financial Results April 1, 2021 – March 31, 2022" furnished on Form 6-K.