



Full-Year Financial Results Presentation for the Fiscal Year Ended June 2025

Arent Inc. (Tokyo Stock Exchange Growth Market: 5254)
August 7, 2025



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3 Business Model

DX Business

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1 Performance Highlights

Financial Results for the Fiscal Year Ended June 2025
and Forecast for the Fiscal Year Ending June 2026

1 Performance Highlights

2 Company Overview

3 Business Model

DX Business

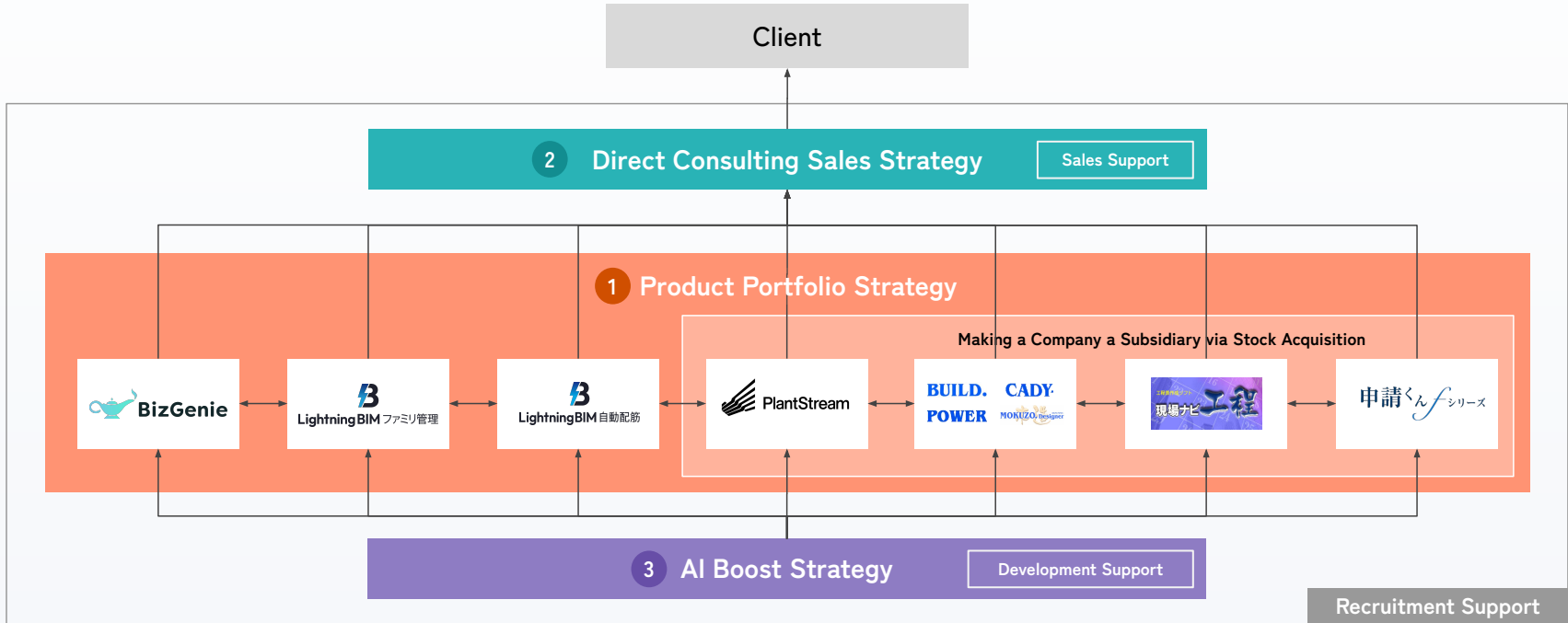
Product Business

4 Appendix



Driving the Product Business through 3 Strategies

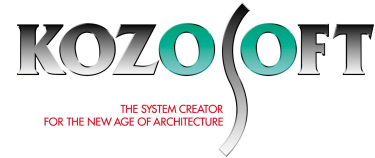
"Product Portfolio Strategy," "Direct Consulting Sales Strategy," and "AI Boost Strategy"





A&R ENT

Announcement of the Acquisition of All Shares of KozoSoft Co.,LTD (Full Ownership as a Subsidiary) by Arent Inc.



Announcement of the Acquisition of All Shares of PlantStream Inc. by Arent Inc. (Full Ownership as a Subsidiary)

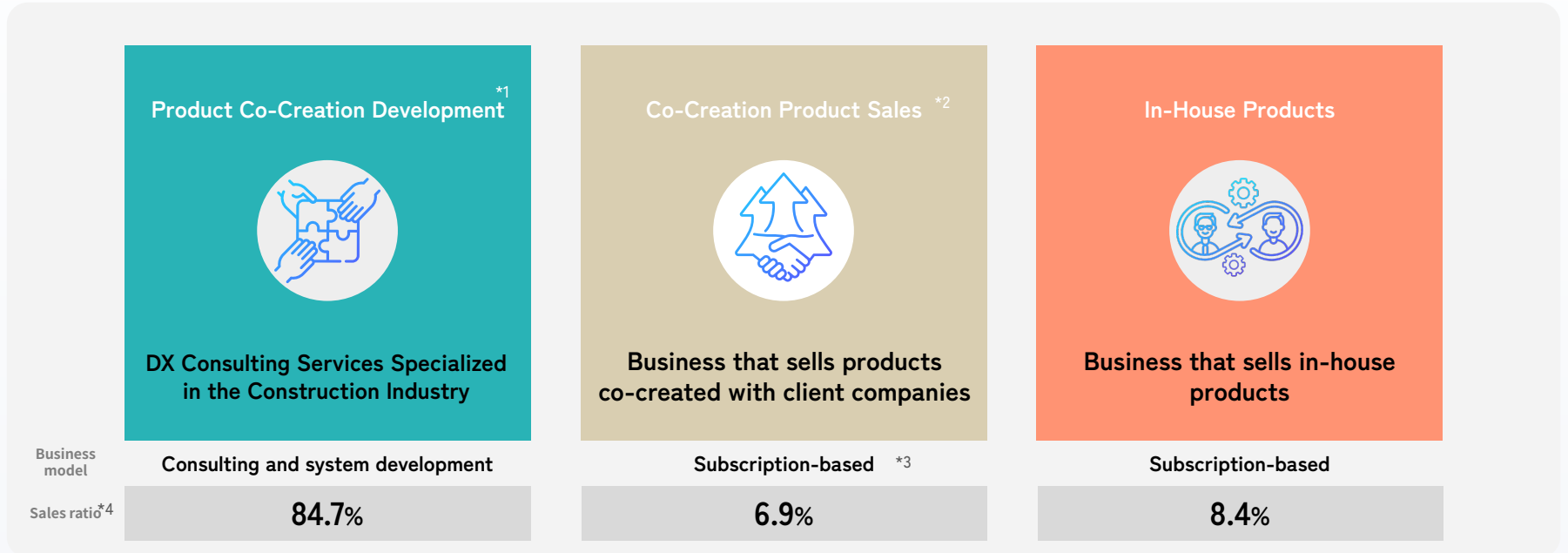


Announcement of the Acquisition of Shares of Stag Inc. by Arent Inc. (Full Ownership as a Subsidiary through a Simplified Share Exchange)



Arent operates its business across three segments.

Arent is currently focusing on the 'Product Co-Creation Development' business, which spans from DX consulting to system development, specifically tailored to the construction industry.



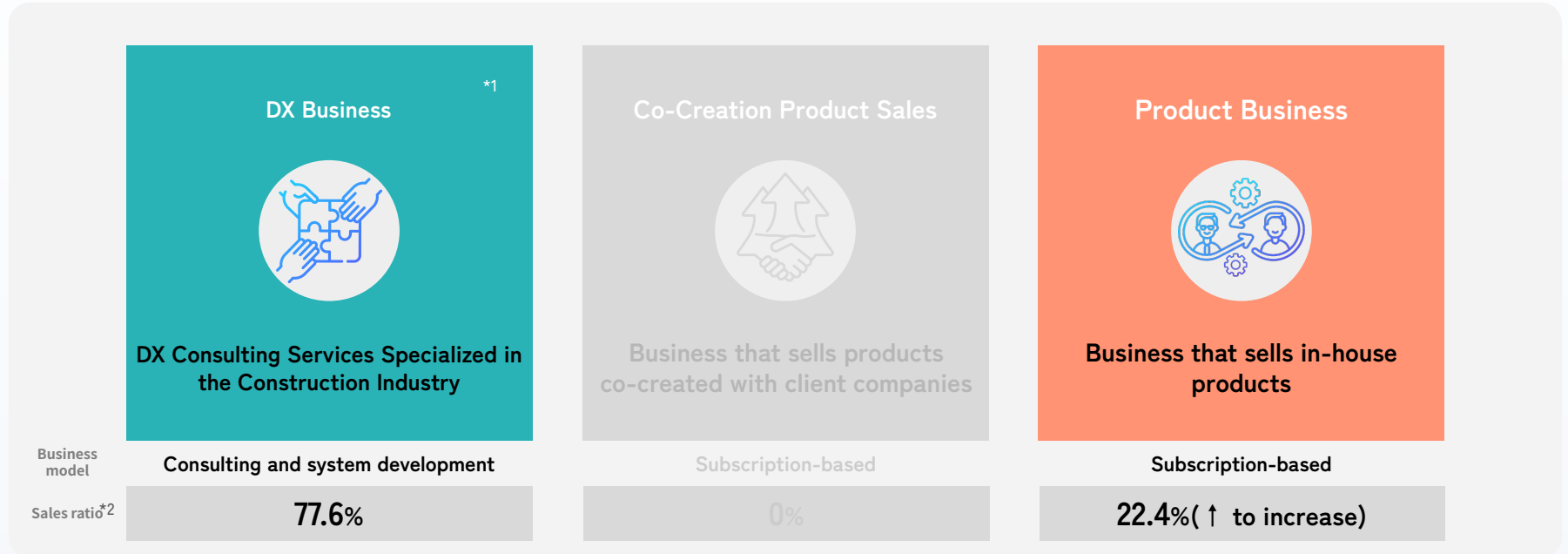
*1: Product Co-Creation Development = A process where user companies and vendor companies contribute members to form an agile development team to carry out system development. *4: Sales ratio refers to the actual results for the fiscal year ending June 2024, before inter-segment transaction adjustments.

*2: Co-Creation Product = A product developed through Product Co-Creation Development.

*3: Sales are conducted via subscription, and the development of additional features (1. Product Co-Creation Development) is also carried out concurrently by our company.

Transition from Three Business Segments to Two Business Segments

The focus will be on businesses that specialize in DX consulting and system development for the construction industry, as well as the sales of an expanded range of products.

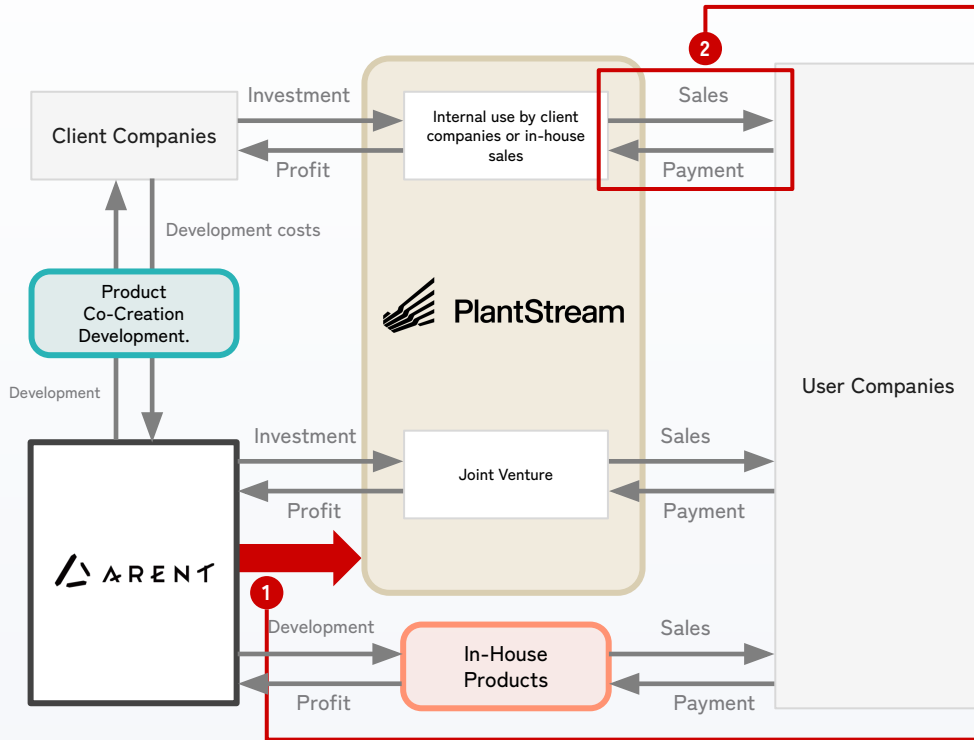


*1: Product Co-Creation Development = System development conducted by an agile development team formed by members from user companies and vendor companies.

*2: The sales ratio is based on the performance forecast for the fiscal year ending June 2026.:

Business Segments

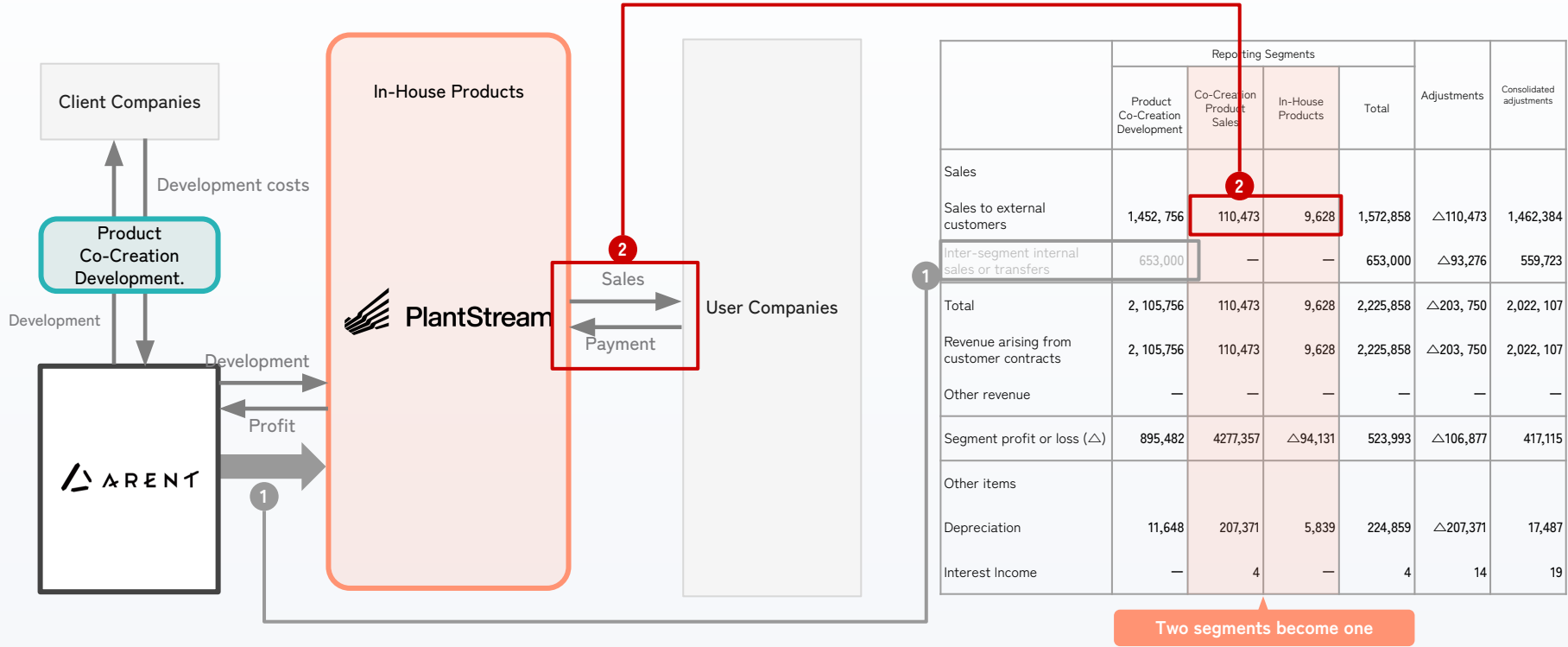
PlantStream's joint venture status made revenue recognition complex, making segment analysis challenging.



	Reporting Segments				Adjustments	Consolidated adjustments
	Product Co-Creation Development	Co-Creation Product Sales	In-House Products	Total		
Sales						
Sales to external customers	1,452,756	110,473	9,628	1,572,858	△110,473	1,462,384
Inter-segment internal sales or transfers	653,000	—	—	653,000	△93,276	559,723
Total	2,105,756	110,473	9,628	2,225,858	△203,750	2,022,107
Revenue arising from customer contracts	2,105,756	110,473	9,628	2,225,858	△203,750	2,022,107
Other revenue	—	—	—	—	—	—
Segment profit or loss (△)	895,482	4277,357	△94,131	523,993	△106,877	417,115
Other items						
Depreciation	11,648	207,371	5,839	224,859	△207,371	17,487
Interest Income	—	4	—	4	14	19

Business Segments

By making PlantStream a subsidiary, the two segments are combined into one, simplifying the flow of profits and payments.



Financial Summary (Consolidated, YoY Comparison)

- Sales and profits reached a record high due to the expansion of existing projects in the core business, Product Co-Creation Development.
- An impairment was carried out for the subsidiary PlantStream (hereafter, PS), but the impact on consolidated profit and loss is limited.
- The performance forecast for the next fiscal year was prepared with the merger of PS and Arent in mind. Following KozoSoft and PS, the stock acquisition agreement with Stagg has been concluded and reflected in the forecast.

The future performance of PlantStream, which transitioned from an equity-method affiliate to a consolidated subsidiary, will now be reflected not only in "ordinary profit" but also in "sales" and "operating profit," making the financial statements easier to understand.

[Consolidated PL] Unit: Million Yen	FY2024 June Q3 Results	FY2025 June Q3 Results	Change Amount	Change Rate
Net Sales	2,939	4,028	+1,089	+37.0%
Operating Profit (Excluding Goodwill)	1,236	1,738	+502	+40.6%
Operating Profit	1,236	1,690	+454	+36.8%
Operating Profit Margin	42.1%	42.0%	△0.1pt	—
Ordinary Profit (Excluding Goodwill)	961	915	△46	△4.8%
Ordinary Profit	961	868	△93	△9.8%
Ordinary Profit Margin	32.7%	21.5%	△11.2pt	—
Net Profit Attributable to Parent Company Shareholders	658	633	△25	△3.7%
Net Profit Margin	22.4%	15.7%	△6.7pt	—
Net Income per Share (Yen)	106.16	100.91	△5.25	△4.9%

Revised Forecast for the FY June 2025	Achievement Rate
4,010	100.4%
1,739	99.9%
1,691	99.9%
42.2%	—
918	99.7%
870	99.8%
21.7%	—
530	119.4%
13.2%	—
84.54	119.4%

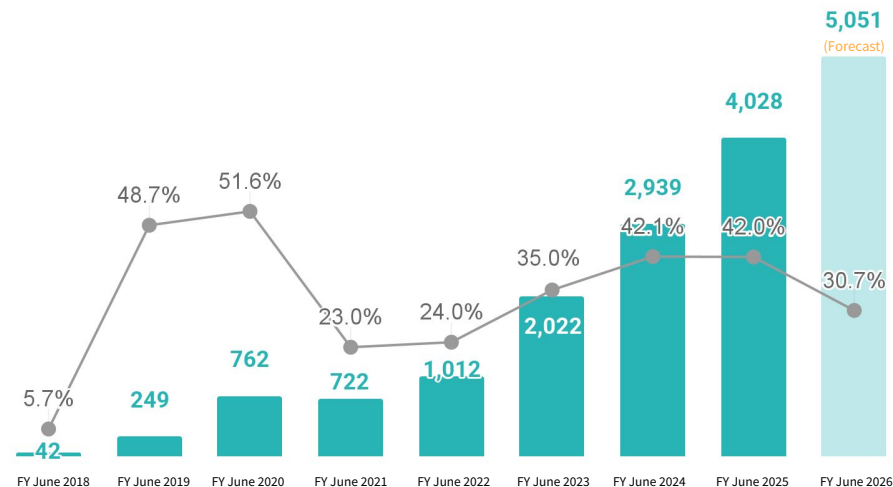
Full-Year Forecast for the FY June 2026	Year-on-Year Growth Rate
5,051	+25.4%
1,740	+0.1%
1,551	△8.3%
30.7%	△11.3pt
1,758	+92.0%
1,569	+80.8%
31.1%	+9.6pt
1,518	139.6%
30.1%	14.4pt
229.03	127.0%

DX Business: Business Performance Trends

From the next fiscal year, we will adopt a two-segment structure consisting of the DX Business and the Product Business, aiming for sustainable growth by leveraging the strengths of each segment. In FY2021, the establishment of an equity-method affiliate led to the elimination of unrealized profit on intra-group transactions, and a portion of these gains was realized due to impairment losses during the period.

Consolidated Sales and Operating Profit Margin Transition

(Million Yen)



Full-Year Results for the Fiscal Year Ended June 2025

Net Sales

4.02 billion JPY

Operating Profit

1.69 billion JPY

Sales Growth

5.6 times

Operating Profit Margin

42.0%

(Consolidated Comparison: FY2021–FY2025)

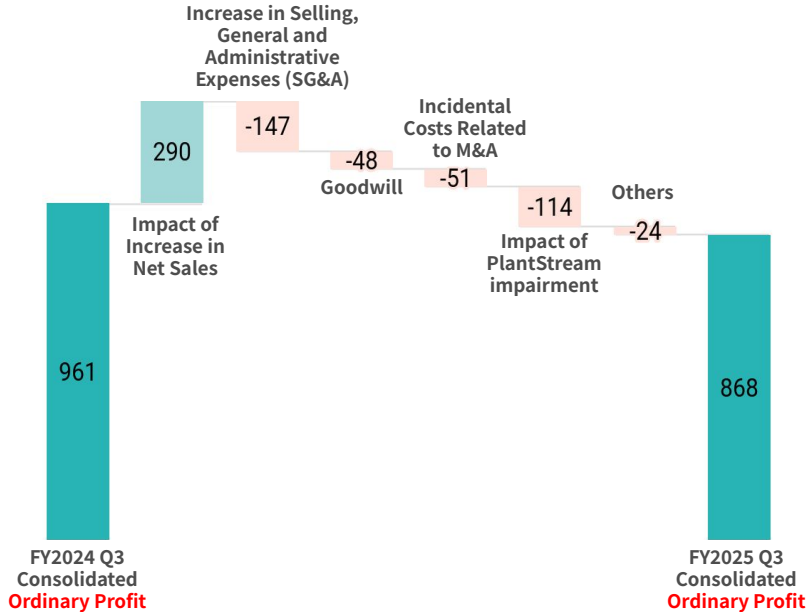
Factors for Net Income Increase/Decrease (Consolidated, YoY Comparison)

Sales from co-creation product development increased, but net income declined slightly due to impairment losses and M\&A-related expenses.

We focused on expanding personnel and advancing M\&A-related activities to realize our growth strategy.

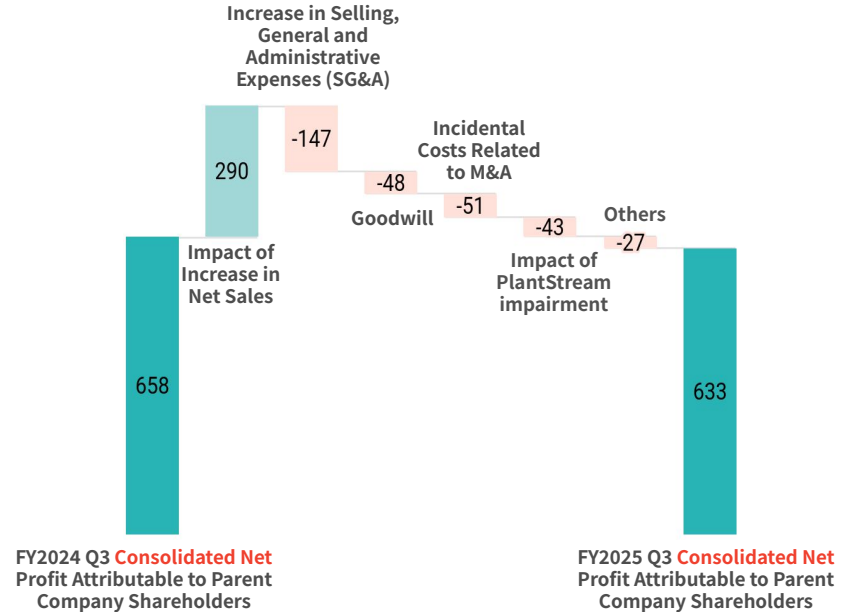
Ordinary Income

Million Yen / YoY Comparison



Net Income

Million Yen / YoY Comparison



2 Company Overview

About Arent

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Company Overview & Executive Team Introduction

An executive team with extensive knowledge not only in management but also in the industry and technology

Basic Information

Company Name	Arent Inc.
Established	July 2, 2012
Representatives	Hiroki Kamobayashi (President & CEO) Fumitaka Sakai (Executive Vice President)
Head Office	3F, KDX Hamamatsucho Building, 7- 2-7-19 Hamamatsucho, Minato-ku, Tokyo, Japan
Other Office Location	3F, KDX Hamamatsucho Building, 7-19, Shibaura 3-chome, Minato-ku, Tokyo, Japan Rm. 306, Taiju Seimei Hamamatsu Building, 145-1 Tokiwacho, Chuo Ward, Hamamatsu City, Shizuoka, Japan
Number of Employees	132 employees (Arent Inc. only, as of March 31, 2025)
Affiliated Companies	4 subsidiaries (Arent Vietnam Co., Ltd., Arent AI Inc., PlantStream Inc., KozoSoft Co., Ltd. as of March 31, 2025)
Capital	572 million JPY (as of June 30, 2025)
Business Description	DX Consulting, System Development, and System Sales focused on the Construction Industry
Company History	In July 2012, CFlat Corporation (now Arent Inc.) was established with the aim of developing various software and smartphone applications. Subsequently, on the occasion of starting business with Chiyoda Corporation, the company merged on an equal terms with ASTROTECH SOFTWARE DESIGN STUDIOS, which was skilled in new business planning and strategy. This integration established a comprehensive framework that forms the foundation of the current business model, enabling end-to-end support from business planning (consulting) to system development, new business launch, and operations.



President and CEO

Hiroki Kamobayashi

Kyoto University
Graduated from the
Faculty of Science

He started his career as a fund manager at Mitsubishi UFJ Asset Management Co. In 2012, he joined GREE, Inc. as an engineer, and in 2015, he became independent and joined CFlat, the predecessor of Arent, and is currently the president of Arent.



Executive Vice President

Fumitaka Sakai

Kyoto Graduate School
Masters in Physics
Graduate School of Science

In 2008, he joined Armonicos Co., Ltd. In 2012, he became independent and founded CFlat, the predecessor of Arent, and is currently the Executive Vice President of Arent.



Executive Director

Takeshi Oda

Kyoto Graduate School
PhD in Physics, Graduate
School of Science

Worked as as the Development Manager for the Reverse Engineering Software 'spScan' at Armonicos Co., Ltd.. In addition, he also developed medical CAD/CAM systems. He has collaborated with many universities and research institutes, and joined Arent (formerly CFlat) in 2019. Currently serving as a Director at Arent and as the Representative Director & Co-CEO of Arent's affiliated company, PlantStream Inc.



Director

Tsubasa Nakajima

Kyoto Graduate School
Dropped out of the Faculty of
Science

Gained experience in accounting, cost management, corporate planning, and internal auditing at a subsidiary of an automobile manufacturer before joining Arent in 2019 as the first member of the management department. Appointed as a Director in 2021.

Mission

Democratizing Tacit Knowledge

Vision

A Japan where people can work with confidence

The technology we have built up so far will become a powerful tool for competing globally.

A company that continuously creates digital businesses to solve challenges in niche areas of the construction industry

Area

Vast Construction Industry



Business

Launching Digital Businesses



Features

Transforming niche areas into
BIM/SaaS

The Construction Industry Arent is Facing

Companies known as SaaS providers in the construction industry have digitized some niche areas with BIM/SaaS, but many inefficient sectors remain that have not yet been digitized through BIM/SaaS

POINT

The construction industry is a massive 74 trillion yen market

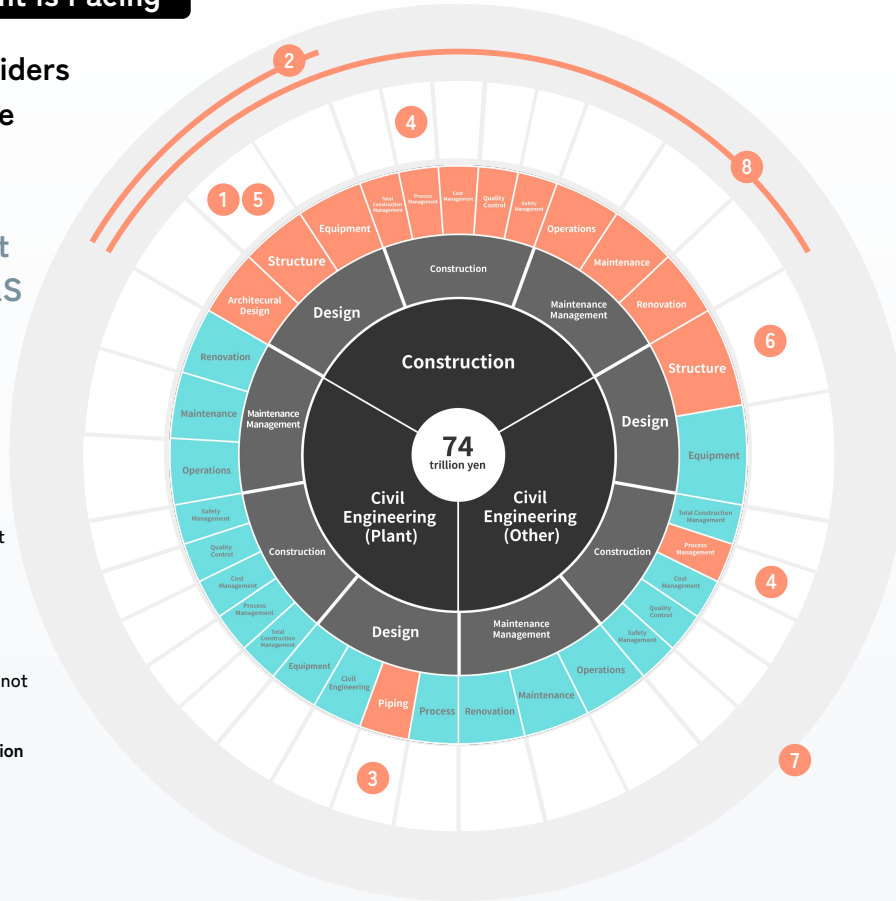
The industry consists of niche areas where significant inefficiencies remain due to the lack of digitization through BIM/SaaS

Some areas have already adopted BIM/SaaS

There are also highly profitable companies that have not yet been digitized through BIM/SaaS

Develop BIM/SaaS-integrated products in collaboration with large enterprises seeking DX.

Expand BIM/SaaS integration to other sectors to enhance productivity.



- 1 Lightning BIM Automatic and Optimal Rebar Layout
In-House Developed Product
- 2 Lightning BIM Family Management
In-House Developed Product
- 3 PlantStream
Company Group Developed Product
- 4 Genba Navi Koutei
Company Group Developed Product
- 5 BUILD
Company Group Developed Product
- 6 Shinsei-kun F Series
Company Group Developed Product
- 7 BizGenie
Company Group Developed Product
- 8 PLANETS
Co-Creation Development Products

3 Business Model

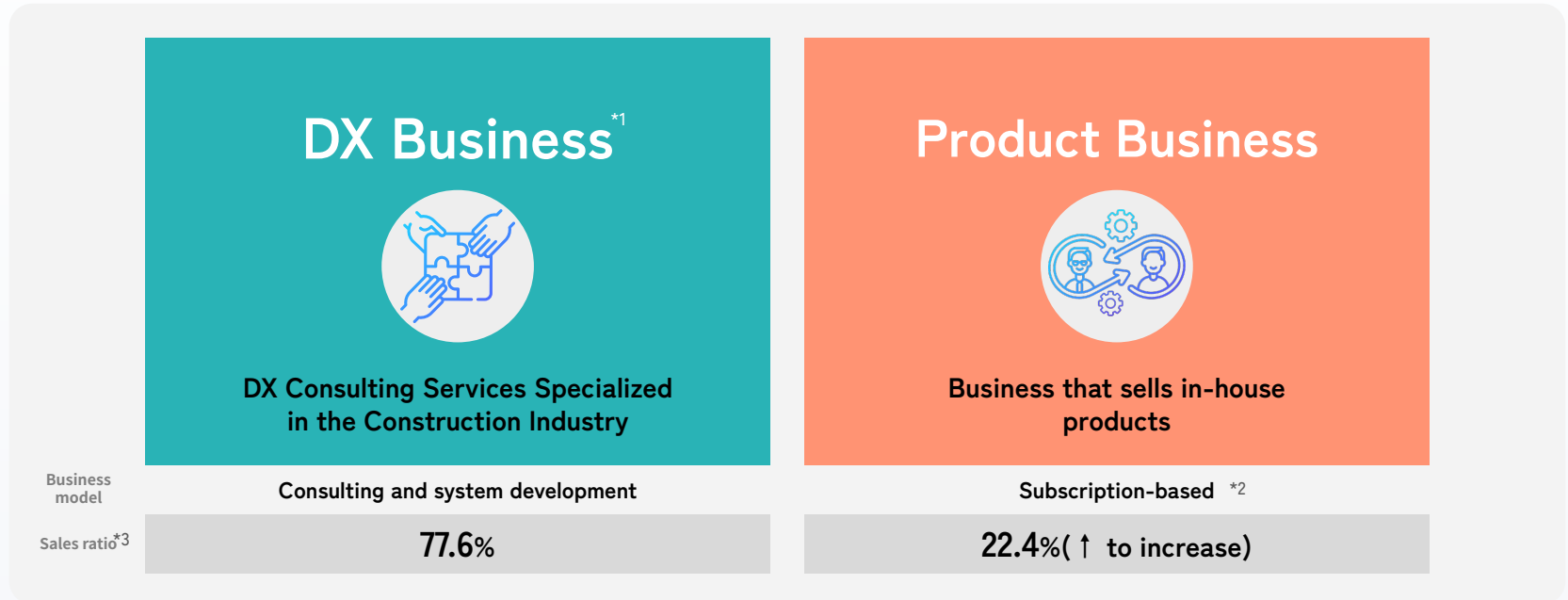
Develop co-created products with major companies in the industry.
Develop and sell in-house products.
Update and sell products acquired through M&A.

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Transition to two business segments: "DX Business" and "Product Business"

Focusing on DX consulting and system development specialized for the construction industry, along with the sales of an expanded product lineup.



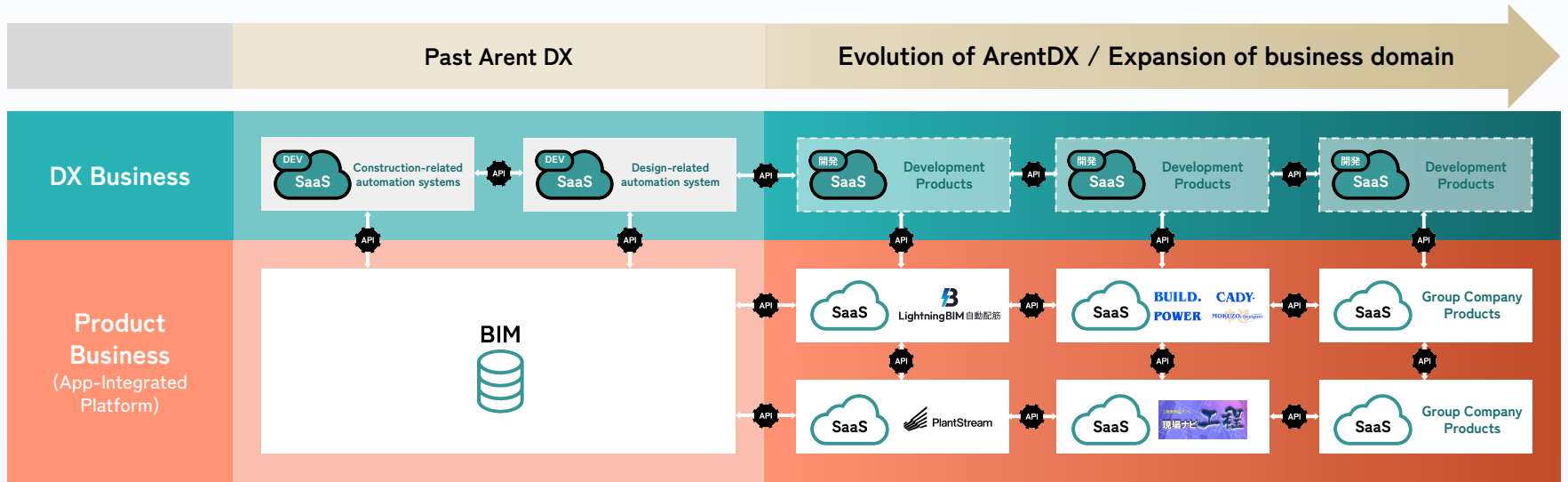
1: DX Business = System development conducted by an agile development team formed by members from user companies and vendor companies.

2: Sales will be conducted via subscription, and the development of additional features (1. DX Business) will also be carried out by our company concurrently.

3: The sales ratio is based on the performance forecast for the fiscal year ending June 2026.

Accelerate the app-integrated platform through collaboration between the DX Business and Product Business

Expand the business by promoting the app-integrated platform through the synergy of the DX Business and Product Business.



3 DX Business (Segment 1)

Develop co-created products with major companies in the industry.

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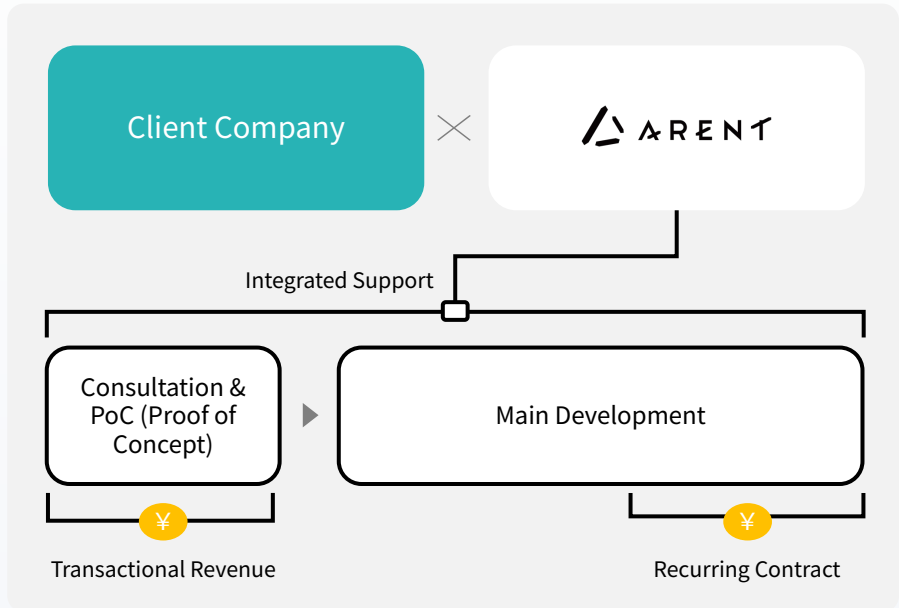
DX Consulting Specialized in the Construction Industry

Execute everything from consulting to system development and commercialization through continuous collaborative relationships with client companies.

Business Features

- 1 Sophisticated Consulting Utilizing Construction-Related Knowledge**
Engineers with the same level of knowledge as the person in charge verbalize tacit knowledge through interviews. This is then systematized to solve the client company's issues.
- 2 Agile Development^{*1}**
Immediately address feedback from client company. Incrementally expand the development system to achieve optimal support for the project.
- 3 Long-Term Partnership**
Deeply understand the business growth of client companies, and maintain a continuous cooperative relationship.

^{*1}: A method of dividing the development process into small functional units, carrying out requirement definition, development, testing, etc. for each unit, and through repetition, building a large system as a whole.



Arent's 3 Strengths & Competitive Advantage



By leveraging these three strengths, we solve deep-rooted issues in the construction industry and establish a unique position within it.

1 Technological Expertise

We have many talented individuals with strong mathematical skills and backgrounds in 3D CAD development, supported by solid development achievements and numerous patent applications.

2 Knowledge

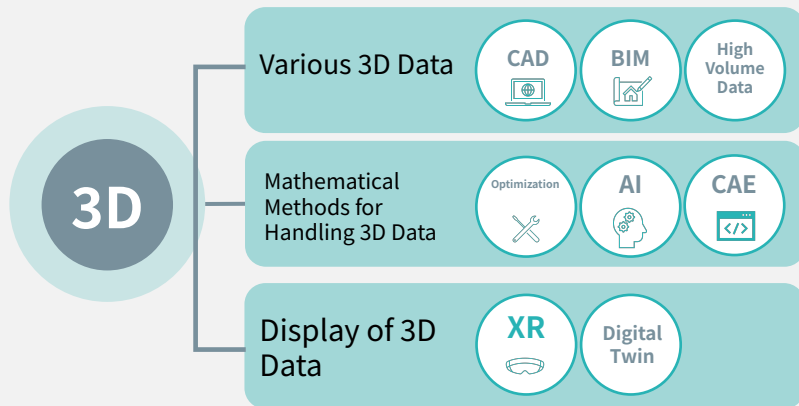
Specializing in the construction industry, we have accumulated deep knowledge about construction sites and construction technologies through co-development with major industry players.

3 Business Development Capability

From identifying issues to product development and commercialization, we carry out all processes through continuous co-creation with client companies.

Focusing on high-speed automatic routing technology for piping design—a challenge the plant industry has been unable to solve for 20^{*1} years—we have filed and obtained patents for various related technologies, including “Block Patterns^{*2}” and “Piping Collision Avoidance^{*1}”.

Arent's 3D Technology



Holding the necessary technologies for the DX (Digital Transformation) of the construction industry centered on 3D in a single company (3D-related technology necessary for effectively)

Patent-Related



Others (Multiple Applications Pending)

Applying for many niche patents in the field of BIM

*1: While it usually takes a lot of time to calculate routes while satisfying complex conditions such as the distance between each pipe, this technology makes it possible to perform high-speed automatic design by combining mathematical knowledge and tacit knowledge in the industry.

*2: Block pattern: Technology that creates 3D shape data for the piping around equipment by simply setting parameters. Piping collision avoidance: Technology that performs high-speed automatic routing while avoiding collision with other objects.

Development by value-creating engineers with advanced mathematical and 3D technologies as their background.

Value-Creating Engineers at Arent with Advanced Mathematical and 3D Expertise



Fumitaka Sakai

Graduated from Kyoto University, Graduate School of Science (Physics)

AI / 3D Geometry Processing



Takeshi Oda

Graduated from Kyoto University, Graduate School of Science (Physics, PhD)

3D Geometry Processing / Optimization



Hideo Tanaka

Graduated from Tokyo Institute of Technology, Graduate School of Mechanical Engineering

Framework / Data Transformation



Masahiro Shimoike

Graduated from Kyoto University, Graduate School of Science (Mathematics)

Optimization / Mathematics



Takashi Nakagawa

Graduated from Keio University, Graduate School of Foundation Engineering

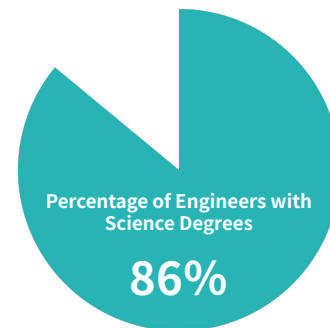
3D Geometry Processing / Optimization



Atsushi Maruyama

Graduated from the University of Tokyo, Department of Systems Design

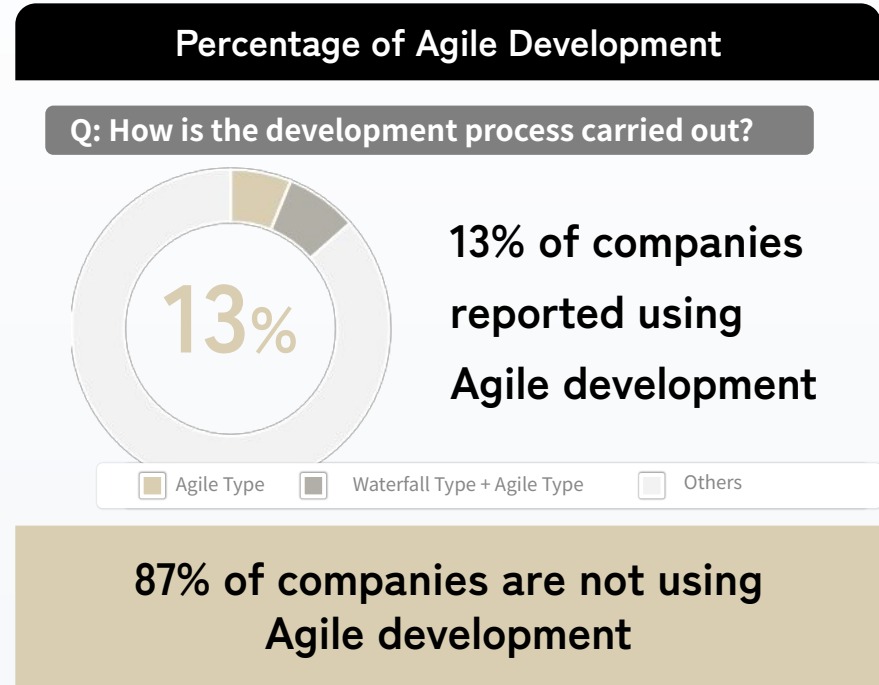
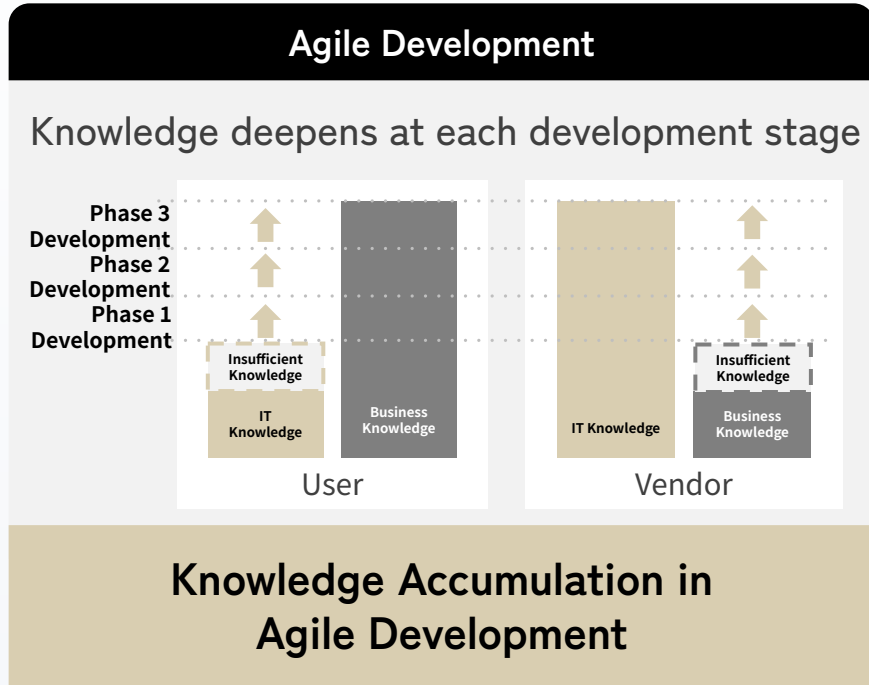
Framework / 3D Geometry Processing



- University of Tokyo Graduates: 5
- Kyoto University Graduates: 18
- Tokyo Institute of Technology* Graduates: 4
- Other National/Public University Graduates: 37

(All include graduate school graduates)

Co-creative development adopts an Agile approach, enabling knowledge to deepen over time as challenges and business processes are addressed. This leads to practical product development based on a clear understanding of key issues.



Source: 2019 Survey "Project Manager Awareness Survey on Work Style Reform Through Client-Contractor Collaboration"

Proven track record of partnerships with major companies. Autodesk primarily develops drafting software, and one of its products is the architectural BIM software "Revit." Arent's product, "Lightning BIM," serves as an add-in (functional extension) for "Revit." Autodesk collaborates with Arent to expand both client bases by introducing Arent to major companies using "Revit" as a trusted development partner for Revit-integrated systems.

General Contractors



Subcontractors & Others



Civil Engineering

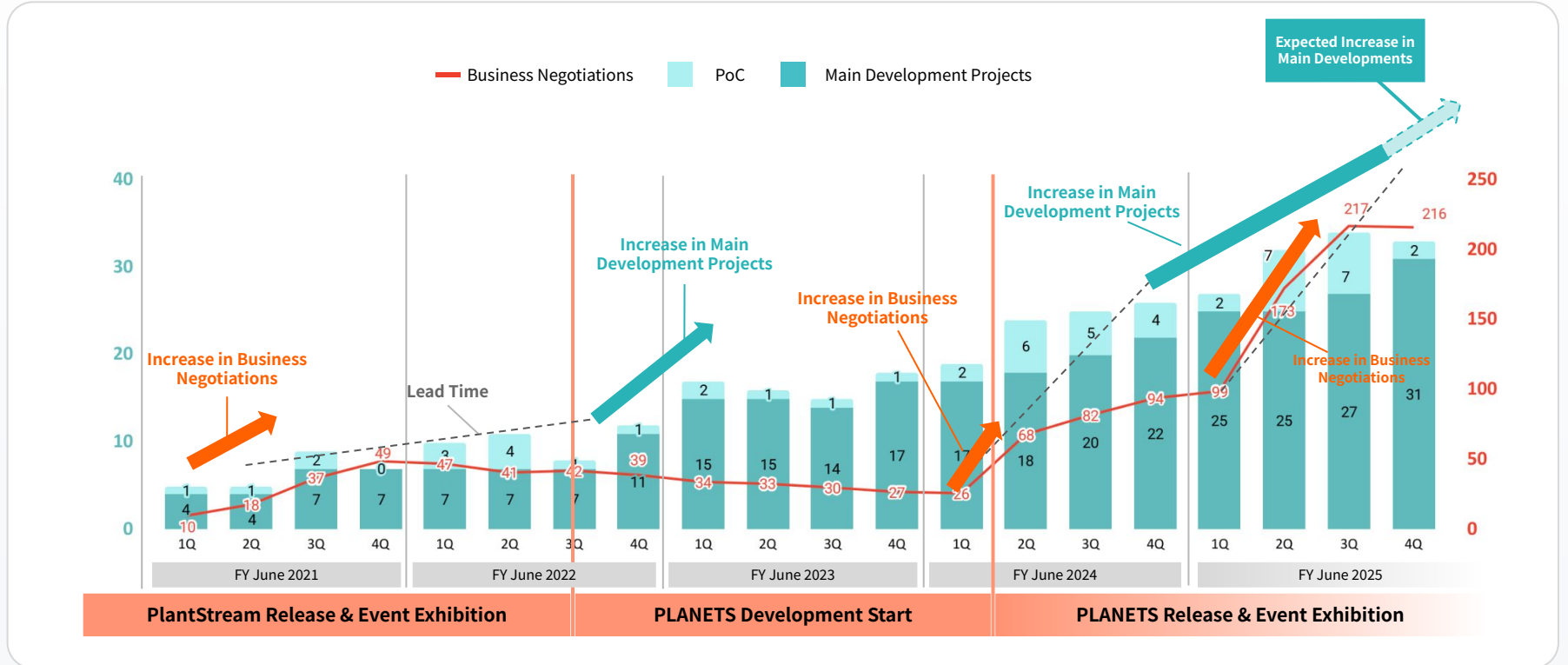


Plants



DX Business: Co-Creation Product Development Pipeline Transition (Remaining Cases)

Business opportunities acquired through trade show exhibitions and the release of PLANETS have progressed to PoC and full-scale development. PoCs completed in Q4 are now in preparation for full development, and the number of PoCs is expected to increase from July.



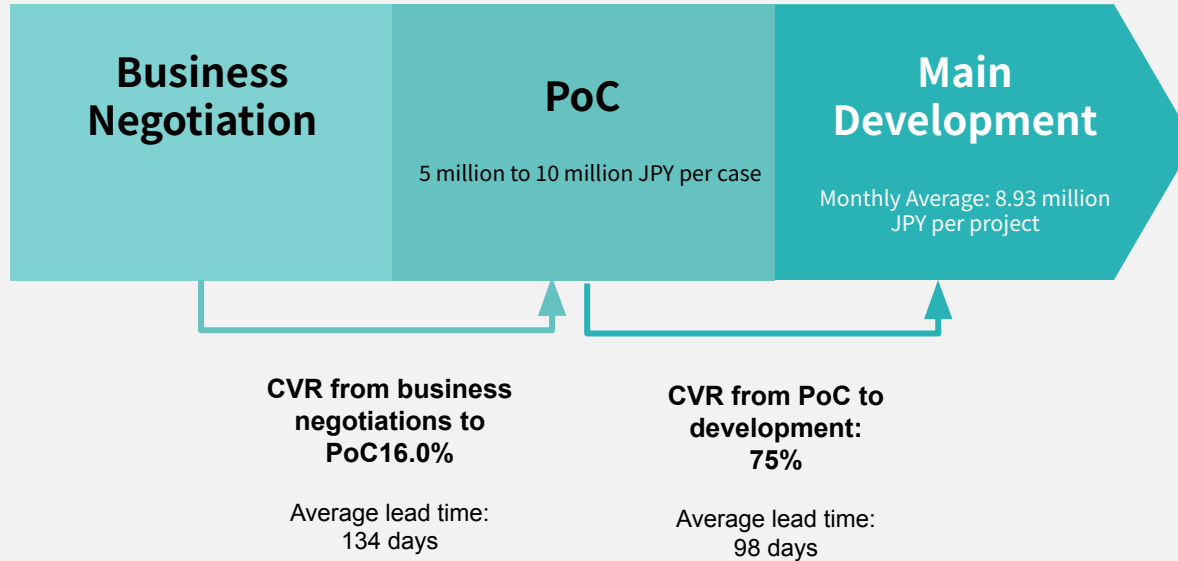
DX Business: Details of Deal Progression

- Strengthening the sales and development personnel before and after the release of PLANETS led to an increase in the number of deals.
- The breakdown of clients shows a notable increase in the number of deals in the construction industry, particularly with general contractors.



DX Business: Business Flow

Leads are acquired through exhibitions, seminars, and similar events, then gradually progressed through stages of negotiation, PoC, and development. By conducting consulting-based sales that delve into client issues, we aim to enhance our proposal capabilities, improve the CVR from PoC to development, and expand into multiple projects.

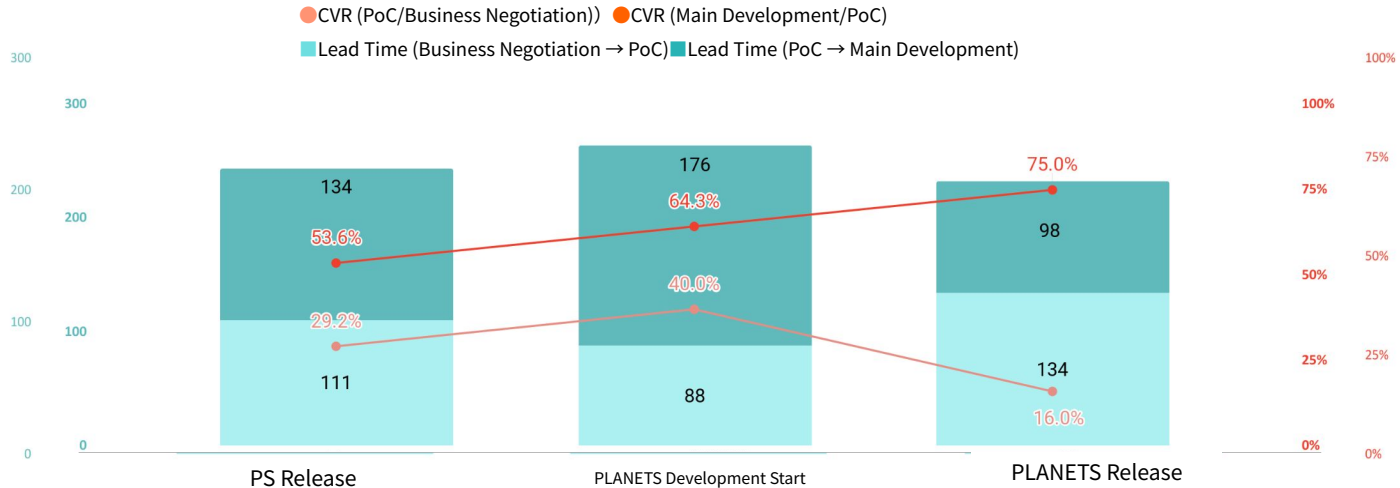


*The results of PLANETS releases (March 2024 to present) are listed.

DX Business: CVR and Lead Time for Product Co-Creation Development

The CVR is showing a slight upward trend, with the CVR from PoC to full development being higher than that from negotiation to PoC. The lead time and CVR during the PLANETS release period are expected to stabilize at appropriate levels moving forward.

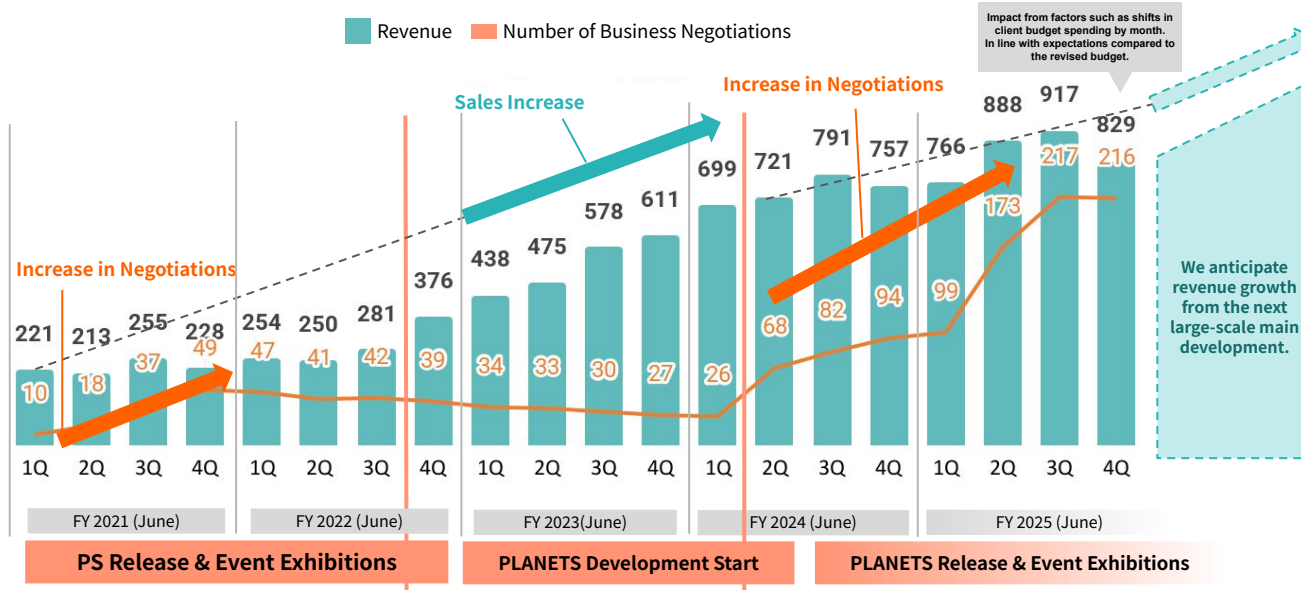
CVR and Lead Time by Business Acquisition Timing (Business Negotiation → PoC, PoC → Main Development)



※Excludes cases under consideration for main development from PoC

DX Business: Sales Transition of Product Co-Creation Development (Development)

Although sales decreased QoQ, they increased compared to the same quarter of the previous year. We strengthened sales activities to acquire large-scale projects. Through seminars and event exhibitions, we identify and secure high-quality business opportunities, improve the conversion rate from PoC to development, and steadily increase the number of full-scale development projects.



*For the purpose of this page, revenue from consulting with low monetary significance has been omitted.

Key Numerical Summary

Cumulative Sales

3.39 billion JPY **114%**

(Q4 only: 830 million JPY) (YOY)

Operating Profit Margin (Cumulative)

41.8%

Maintaining High Profitability

Duration of Ongoing Development*

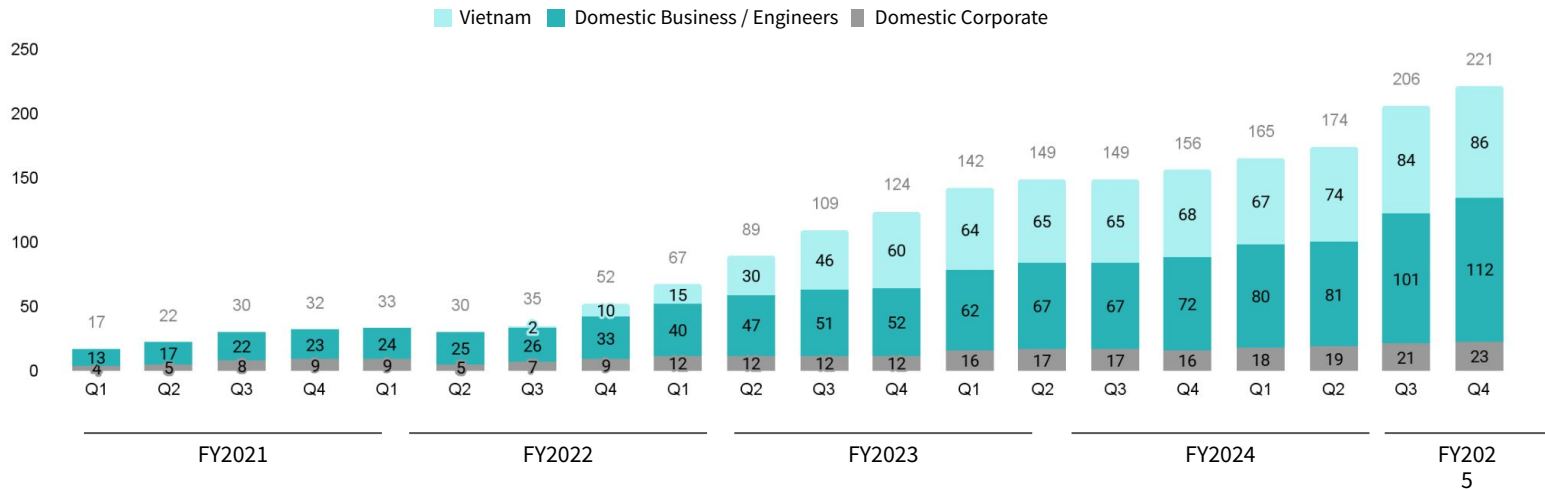
35.2 months

*: Figures represent Arent's actual performance (June 2019 – March 2025).

DX Business: HR and Recruitment Status

- Recruitment activities have been strengthened alongside project expansion, and hiring remains strong. As a proactive investment, sales personnel are being increased to support project acquisition.
- Active PR activities and the credibility of being a listed company are being leveraged to promote talent acquisition.
- Fair evaluations are conducted based on individual contributions, and a supportive work environment is provided for talented personnel.

Employee trends



※The employee numbers listed in the financial results presentation are intended to reflect the actual workforce involved in business operations. They may differ from the numbers listed in the securities report (Yuhō) due to differing calculation standards. In the securities report, the number of employees is calculated based on the Financial Instruments and Exchange Act, including full-time equivalent (FTE) based on working hours and employees of consolidated subsidiaries.

※Regarding engineers based in Vietnam etc., the outsourced work prior to the establishment of subsidiaries is also included.

3 Product Business

Develop co-created products with major companies in the industry.

Develop and sell in-house products.

Update and sell products acquired through M&A.

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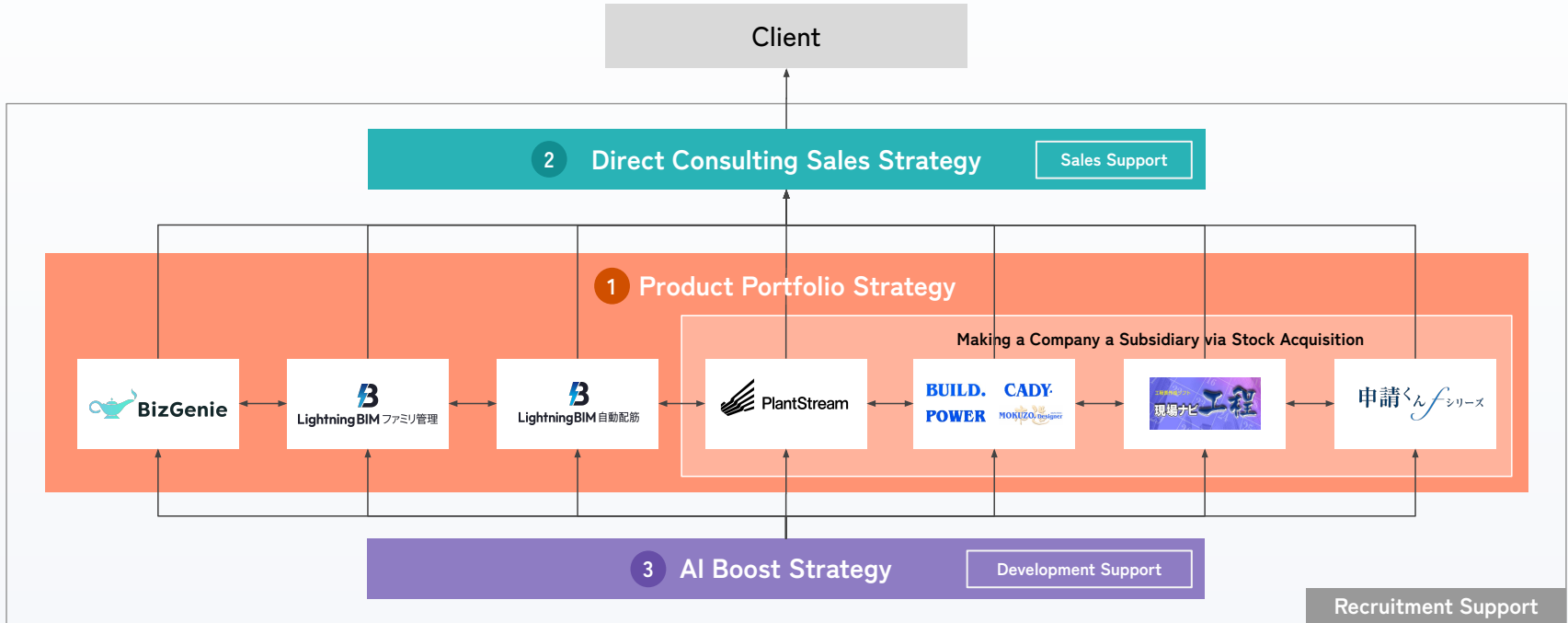
Product Business

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Driving the Product Business through 3 Strategies

"Product Portfolio Strategy," "Direct Consulting Sales Strategy," and "AI Boost Strategy"

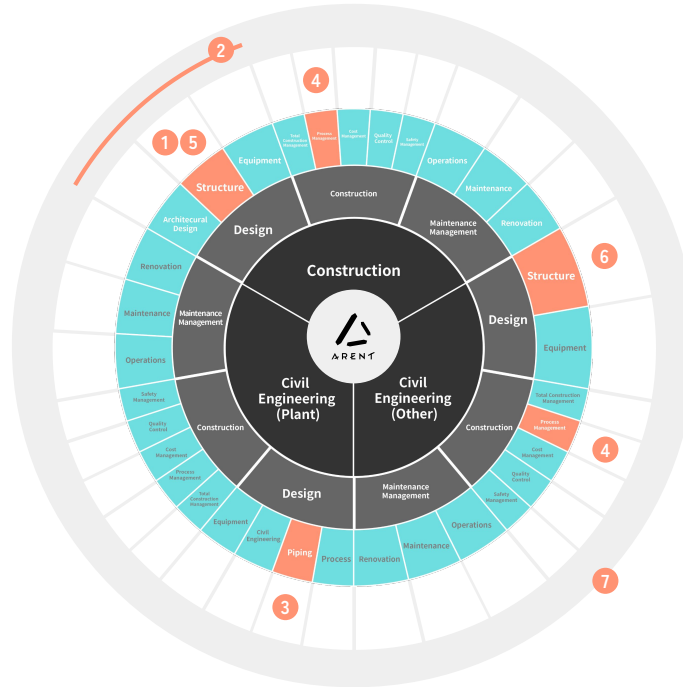


Expanding the product lineup through M&A. Enhancing value with a buy-and-hold approach.

Acquire and expand products in niche areas of the construction industry at fair value, creating group synergies through a buy-and-hold approach to enhance value.

In addition, we will leverage our development capabilities to create our own products, aiming to cover the entire construction industry.

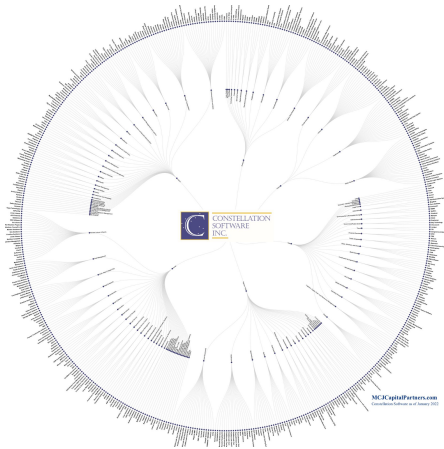
Development and Sales of Systems that Solve Challenges in Niche Areas



- 1 Lightning BIM Automatic and Optimal Rebar Layout
In-House Developed Product
- 2 Lightning BIM Family Management
In-House Developed Product
- 3 PlantStream
Company Group Developed Product
- 4 Genba Navi Koutei
Company Group Developed Product
- 5 BUILD
Company Group Developed Product
- 6 Shinsei-kun F Series
Company Group Developed Product
- 7 BizGenie
Company Group Developed Product

Constellation Software Inc. has also achieved rapid growth using the same approach.

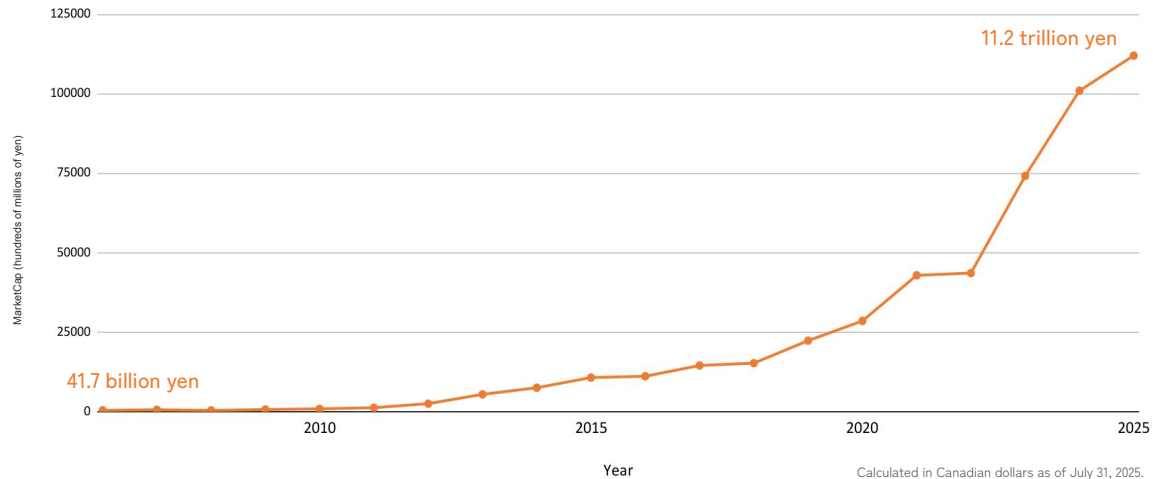
At the time of listing (20 years ago), the market capitalization was 41.7 billion JPY, but it has now expanded to approximately 11 trillion JPY.



Without selling acquired companies, the headquarters shares best practices, drives profit improvement, and promotes operational efficiency while maintaining their autonomy.

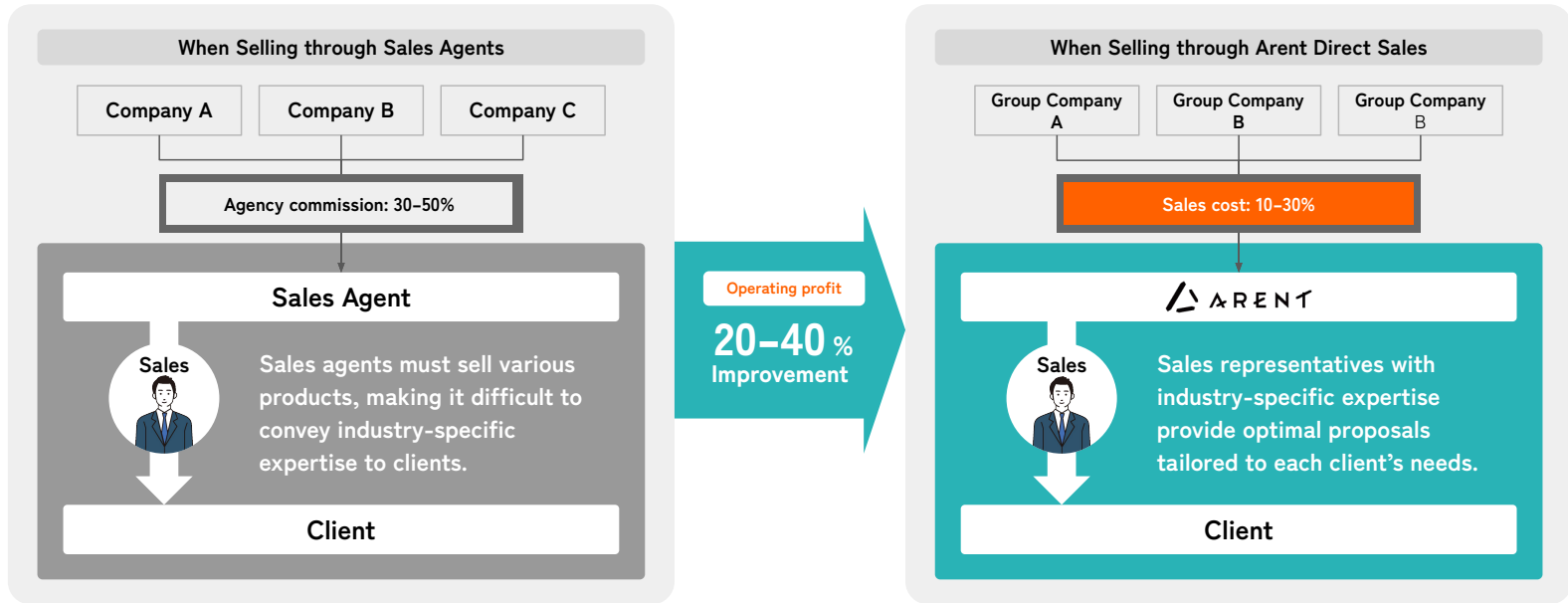
Source : MCJ Capital Partners
<https://www.mcjcapitalpartners.com/constellation-software-update-2022>

Constellation Software: Market Capitalization Trends



Improving Profit Margins through Direct Sales

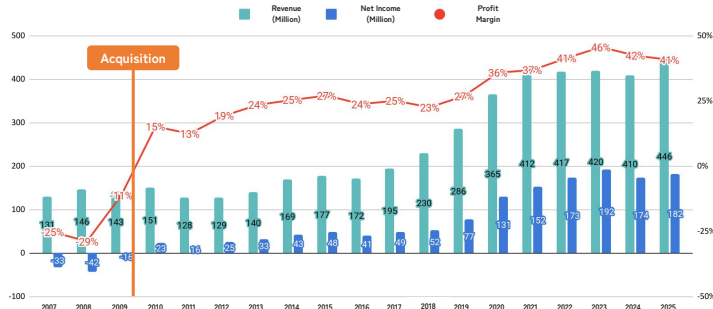
Enhancing profit margins via direct sales while also creating new business opportunities.



Supporting Business Expansion with a Highly Replicable Sales Strategy Improving Profit Margins through Direct Sales

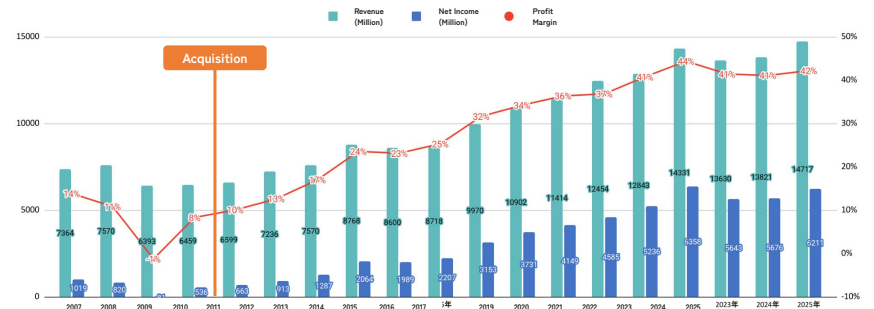
Productivity Improvement & Higher Employee Income

(Reference) Acquisition of Just System Corporation by Keyence Corporation



Improved Profit Margins through Direct Sales

(Reference): Daitoc HD's Acquisition of Fukui Computer, Inc.



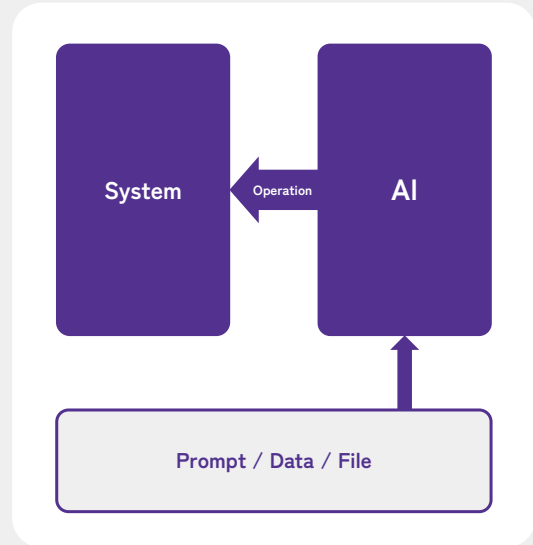
By shifting from agency sales to direct sales,
we improve operating profit and increase profit margins by up to 4-5 times.

AI Automates System Operations Based on Data

By implementing AI into systems acquired through M&A, we can rapidly upgrade existing systems!

Existing Product (Process Management System)

The screenshot shows the PROCOLLA software interface for '本社ビル新築工事' (New Construction of Our Company Building). The interface includes a calendar view for 2023, a Gantt chart for milestones, and a detailed task list for floors 1F through 12F. A purple box labeled 'AI' is overlaid on the interface, with an arrow pointing to the text 'AI automates system operations'. To the right, a chat window for 'Claude 3.7 Sonnet' displays a prompt: '工期3年間の30階建てビルの工程表を作成してください。' (Create a construction schedule for a 30-story building with a 3-year construction period.) and a response: '工程情報がチャートに表示されました。' (Construction information has been displayed on the chart.)





AI Product Portfolio



Smart construction scheduling software that uses AI to support the creation of construction site schedules



Specialized CAD software from Stagg Inc. tailored for water supply application processes



PlantStream AIDE
P&ID AI Data Extractor

AI-powered P&ID data extraction tool that analyzes P&IDs and automatically generates connection information and piping lists



AI Add-in for Revit that enables operation via natural language

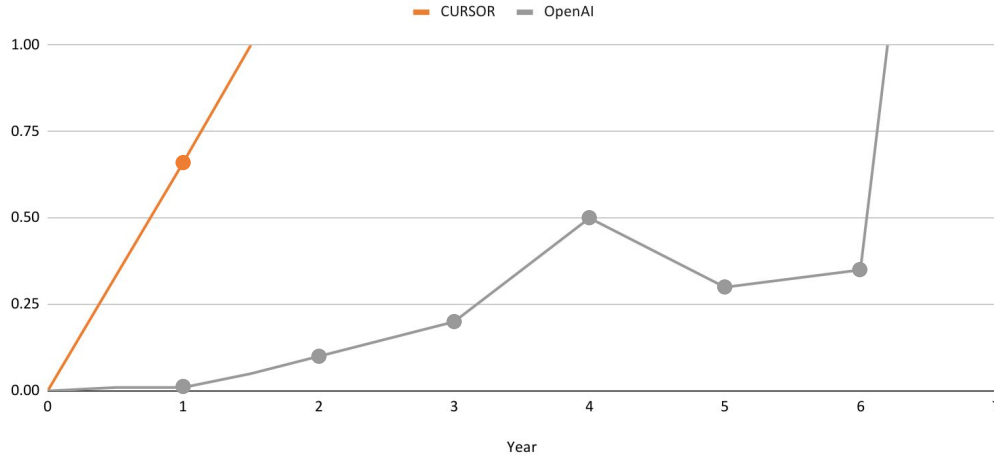


BizGenie

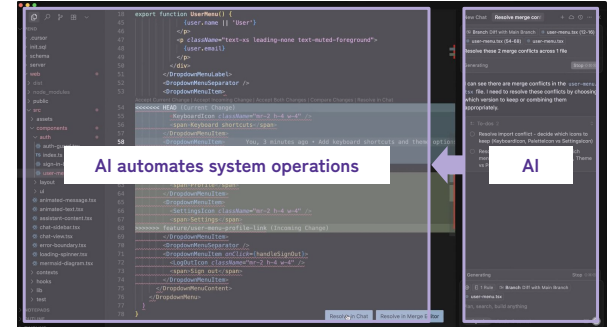
AI-powered tool that automatically organizes and summarizes documents

In the generative AI industry, one of the fastest-growing companies is actually the AI editor “CURSOR”
A high-performance editor that supports AI-powered code completion and correction.

CURSOR / OpenAI: Time taken for ARR to grow from USD 1M to USD 100M



CURSOR



CURSOR is a specialized editor equipped with generative AI that supports tasks such as refactoring and reference searches in an interactive format.

Source : CURSOR
<https://cursor.com/ja/changelog>

Even individually, each strategy can deliver significant results, but combining them further accelerates business growth.

Direct Consulting Sales Strategy

Increase profit margins through direct sales

Product Portfolio Strategy

Expand products through M&A
Enhance value with a buy-and-hold approach

AI Boost Strategy

Automate system operations via AI based on data

By implementing all three strategies simultaneously, we maximize results while ensuring business growth even in the event of unforeseen risks.



The Arent Group aims to become the only unique construction DX platformer in Japan, leveraging its own product group.



We aim to improve overall industry productivity by linking excellent products from each field.

4 Appendix

1 Performance Highlights

2 Company Overview

3 Business Model

DX Business

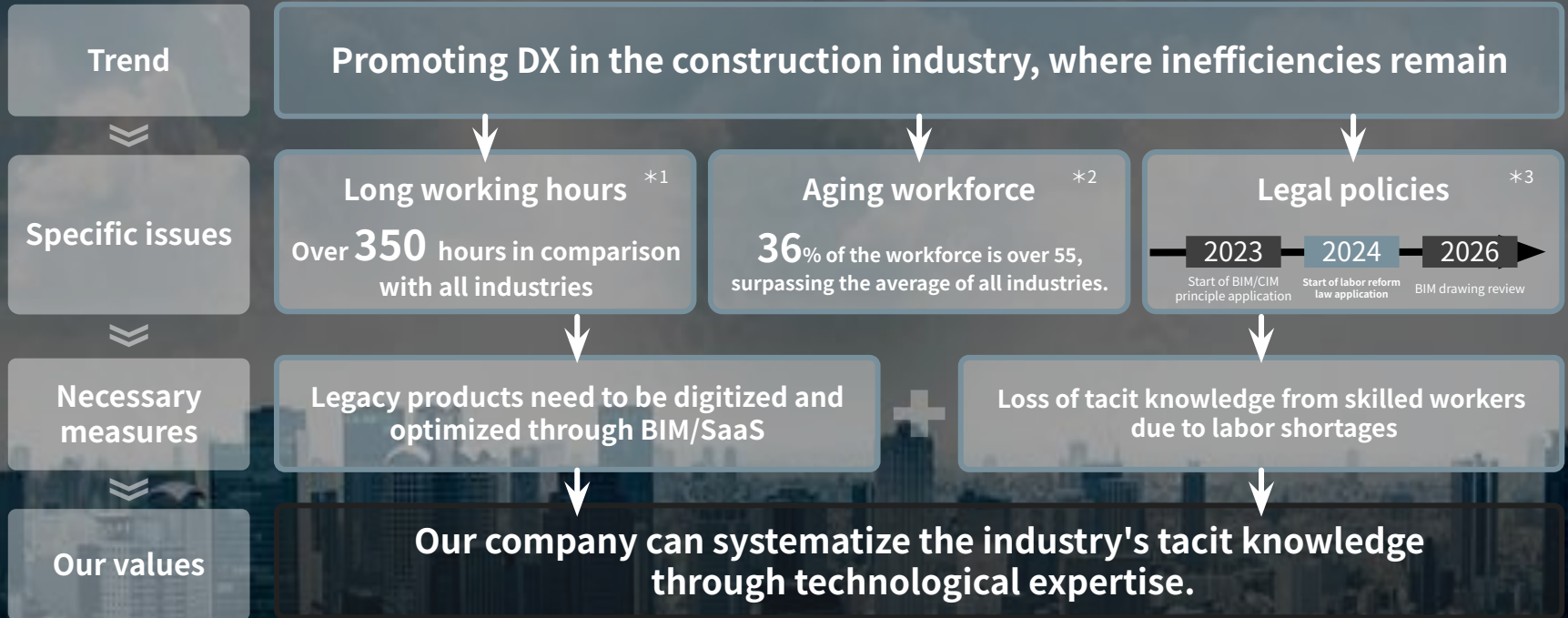
Product Business

4 Appendix



The background behind the need for DX in the construction industry

What we aim to solve is the low productivity caused by the use of legacy systems in the construction industry. We are advancing BIM and SaaS adoption using our own technology.



*1: Ministry of Health, Labor, and Welfare "Monthly Labor Survey" (FY 2021), compiled by our company.

*2: Japan Federation of Construction Contractors, "Construction Industry Digital Handbook", updated from April 2023.

*3: Ministry of Land, Infrastructure, Transport and Tourism, "How to Apply the BIM/CIM Principles in FY2023 (March 2, 2021)" and Digital Agency, "Progress and Acceleration of the Comprehensive Review of Regulations in Light of Digital Principles (October 27, 2022)"

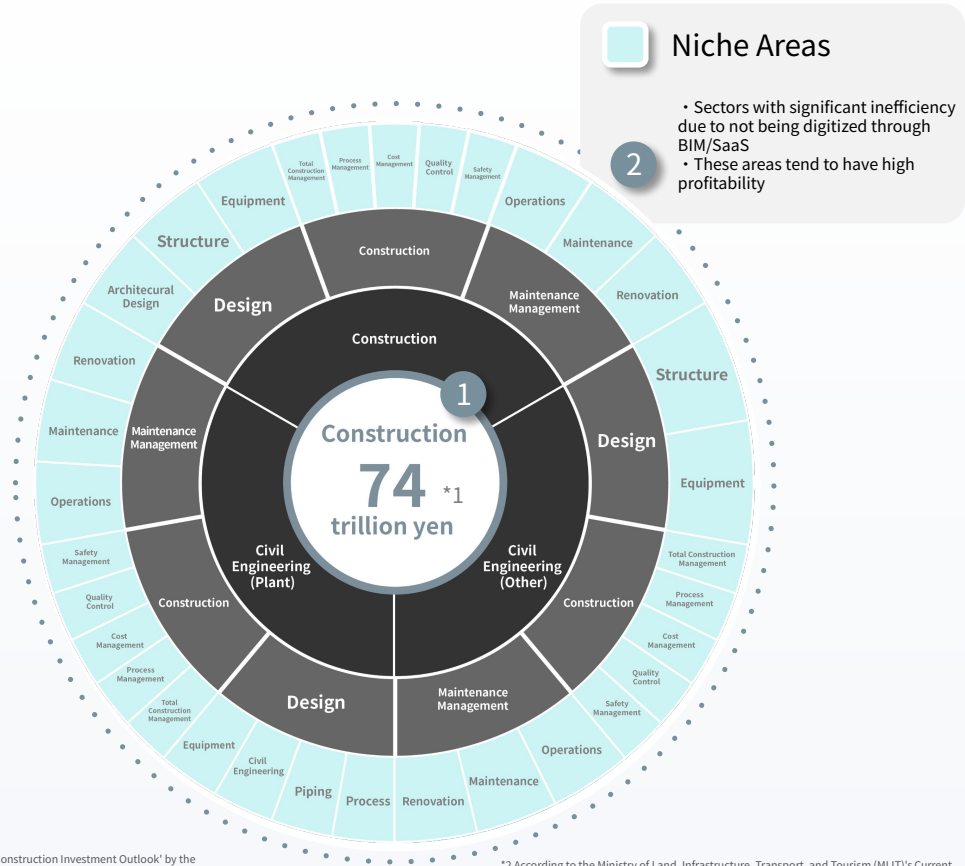
The Construction Industry Arent is Facing (1/3)

The construction industry that Arent operates in is a **massive 74 trillion yen market.** *1

It is composed of niche areas where significant inefficiencies remain due to not being digitized through BIM/SaaS

POINT

- 1 The construction industry is a massive 70 trillion yen market
- 2 The industry consists of niche areas where significant inefficiencies remain due to the lack of digitization through BIM/SaaS
- 3 Some areas have already adopted BIM/SaaS
- 4 There are also highly profitable companies that have not yet digitized through BIM/SaaS
- 5 Develop BIM/SaaS-integrated products in collaboration with large enterprises seeking DX.
- 6 Expand BIM/SaaS integration to other sectors to enhance productivity.



*1 Based on the 'FY2024 Construction Investment Outlook' by the Ministry of Land, Infrastructure, Transport, and Tourism (MLIT), General Policy Bureau, Information Policy Division, Construction Economy Statistics Survey Office.

*2 According to the Ministry of Land, Infrastructure, Transport, and Tourism (MLIT)'s Current State of the Construction Industry, construction is categorized into architecture and civil engineering, with plants classified under civil engineering. However, due to its significance to our business, it is listed separately.

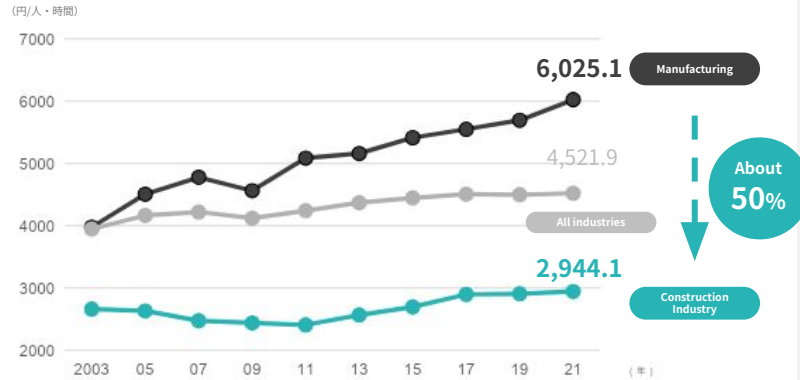
State of the Construction Industry

The multi-layered subcontracting structure in the construction industry has complicated long-standing issues, making DX extremely difficult, which leads to a crisis where the tacit knowledge of craftsmen are disappearing.

Decline in Labor Productivity in the Construction Industry

The productivity of the construction industry is half that of manufacturing.

In the construction industry, labor productivity has remained almost unchanged for the past 20 years and lags nearly twice behind that of the manufacturing sector, making it one of the industries significantly behind in DX. One of the reasons cited behind this is the industry's multilayered structure, which extends from general contractors to subcontractors.

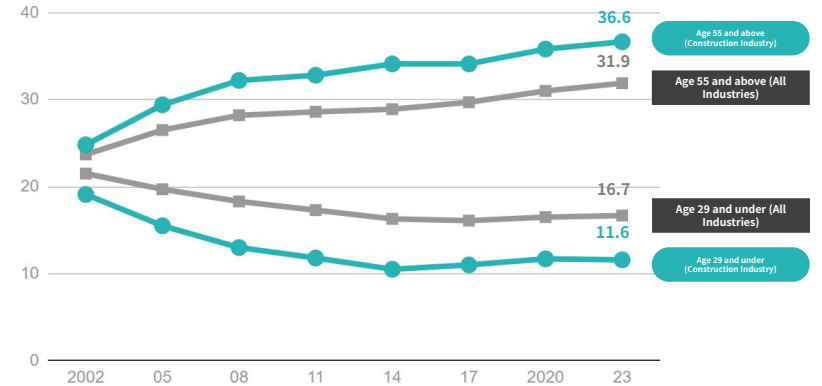


Source: Japan Federation of Construction Contractors, "Construction Industry Digital Handbook", updated June 2023

Progress of Aging of Construction Industry Workers

Aging is more pronounced compared to other industries

The proportion of workers aged 55 and older in the construction industry exceeds that of all other industries, which raises issues in terms of human resources. To promote the digital transformation of the construction industry, it is important to not only adopt advanced technology, but also to ensure that it can be used by anyone on-site.



Source: Japan Federation of Construction Contractors, "Construction Industry Digital Handbook", updated May 2024

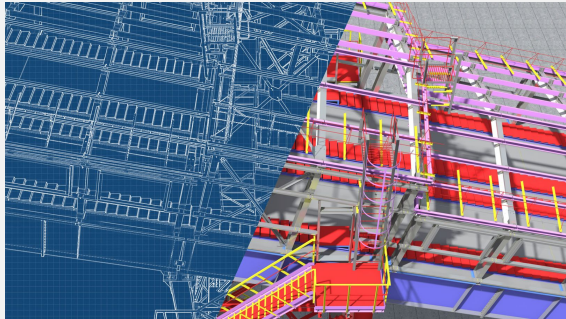
Regulatory and Institutional Reforms Surrounding the Construction Industry

The demand for BIM usage in the construction industry is expected to grow further due to regulatory and institutional reforms, such as the application of BIM principles, overtime regulations, and BIM drawing reviews.

Application of BIM Principles (From 2023)

Legal reforms toward the normalization of BIM utilization

- The Ministry of Land, Infrastructure, Transport and Tourism aims to streamline construction production and maintenance processes and improve productivity through the use of BIM. Starting in 2023, BIM usage has been adopted as the norm for public projects, with plans to gradually expand its scope of application.



Overtime Regulations (From 2024)

Significant improvements in efficiency are necessary for productivity gains

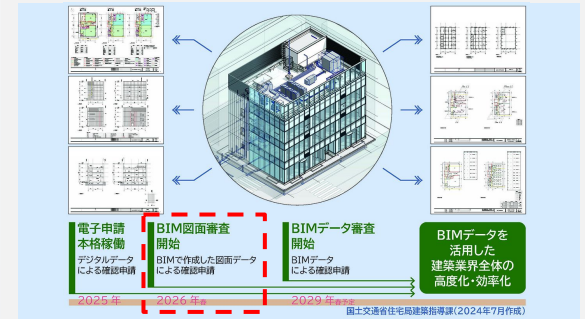
- Regulation of the upper limit on working hours will begin in April 2024



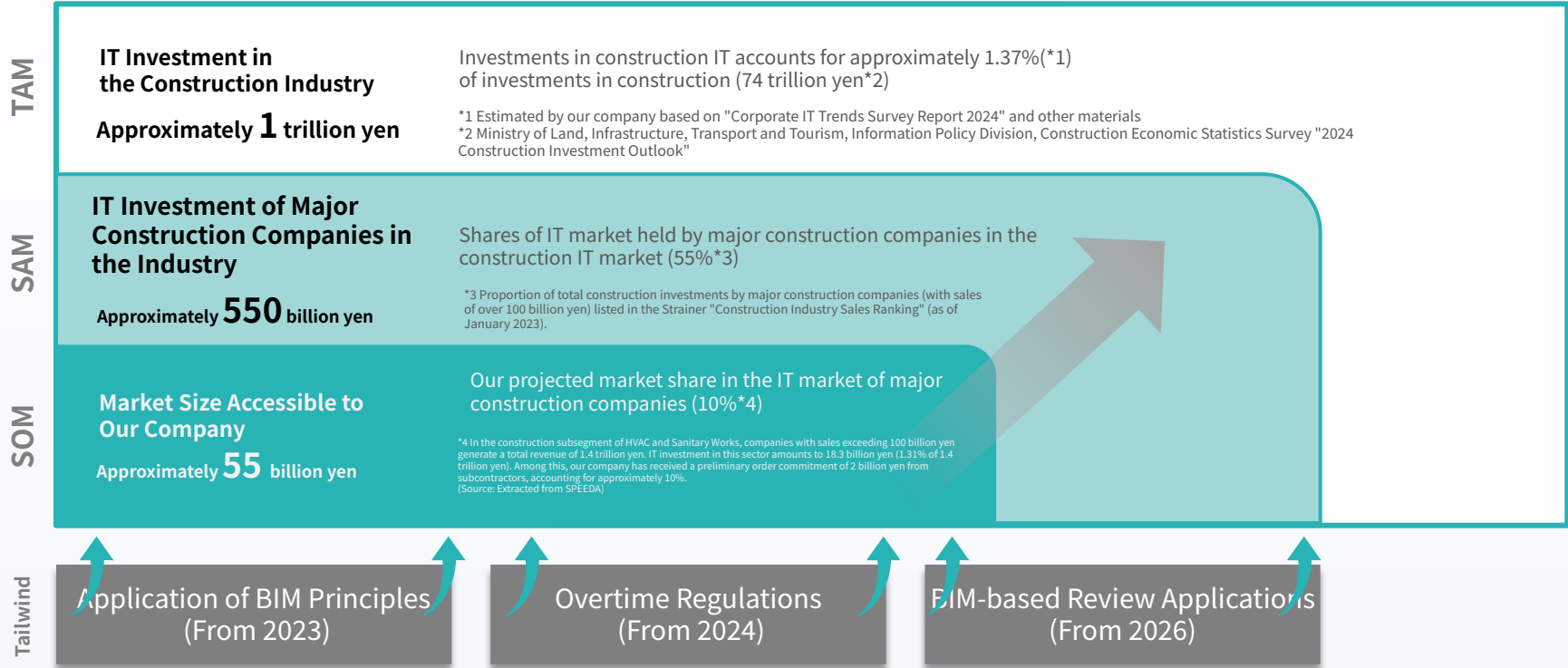
BIM Drawing Review (From 2026 onwards)

Using BIM-generated drawing data in review applications

- Starting in spring 2026, review applications using BIM-generated drawing data will begin.
- Review applications will be streamlined by submitting BIM data aligned with the "input quantity standards" along with the drawings created from it, as well as the designer's checklist.




The proportion of IT investment in the construction industry is still low compared to other industries, leaving many challenges. As a result, it is a market expected to expand further in the future.



Arent's Unique Ability to Handle Everything from Consulting to JV

With the know-how and technology gained from solving niche industry challenges, Arent can offer end-to-end services, from consulting to JV establishment, leveraging its agile development capabilities.

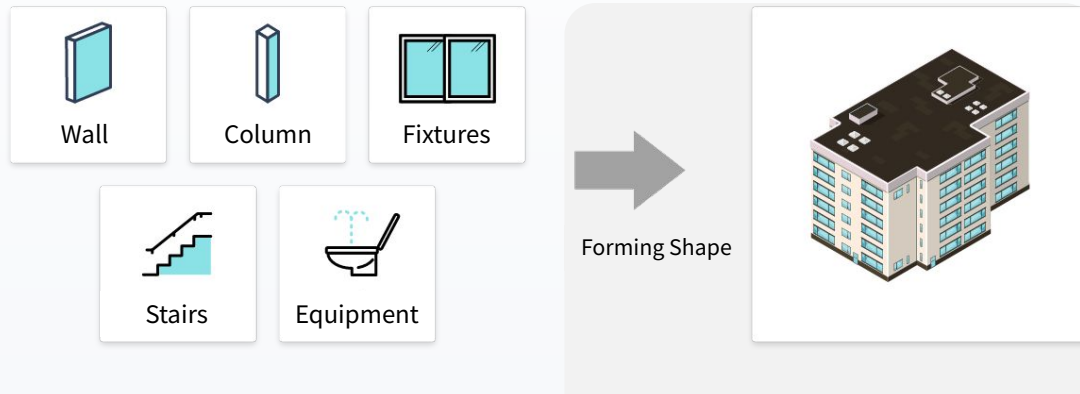
	Business Process			
	Consulting	System Development	Business Launch <small>(Collaboration with Major Companies)</small>	Business Operation <small>(Collaboration with Major Companies)</small>
 ARENT	○	○	○	◎
Consulting Firms	○			○
System/System Development Companies		○		
Vendors/SaaS Companies		○	○	

Co-creation products are Arent's strength

What is BIM

Unlike CAD, which is limited to digitalizing drawings, BIM enables integrated management of not only drawings but also object-based information.

Building Information Modeling



各パーツが次のようなオブジェクト情報を持つ

2D	3D Shape	Quantity	Product Number	Dimensions	Material	Performance	Price	etc
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POINT

- 1 Each part holds object data such as "material", "price", and "dimensions"
- 2 Instantly grasp the "price" and other aspects of the designed building
- 3 BIM is a database for constructing buildings

Comparison of Feature between BIM and 3D CAD

The difference between BIM and 3D CAD is that objects such as "roofs", "floors", "walls", and "windows" have individual architectural attribute information. This allows for easy estimation of construction costs, simplifies modifications, and enhances operational efficiency.

3D CAD

Computerized Drafting / Building Visualization & Standardization of Elements



Only Visualized Drawings / 3D Information



BIM

Content-based models & metadata



Includes not only 3D CAD data, but also materials, prices, and information about preceding and subsequent processes (attribute data)

✗ None

Since drawings are created manually, there is a high risk of human error.

Attribute Data

○ Available

Attribute information such as material and price can be added for each part, including columns and walls.

Data management is handled separately by file formats and other criteria

Data Management

Assignment and Management of Attribute Information
(List generation from attribute information, etc.)

Directly assign and manage information (such as product number, dimensions, material, performance, unit price, etc.) to objects such as walls, stairs, and columns

✗ Time-consuming

→If design inconsistencies are found after creating the 3D model, all floor plans must be revised and reconstructed, resulting in significant workload and substantial costs.

Revision of Design Drawing

○ Simple

Since attribute information is embedded in parts, modifying a single piece of data automatically updates all related data



Towards a DX Platform for the Construction Industry

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