

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2023
(Based on Japanese GAAP)**

August 7, 2023

Company name: PROPERTY AGENT Inc.
 Stock exchange listing: Tokyo
 Stock code: 3464 URL <https://www.propertyagent.co.jp>
 Representative: CEO Sei Nakanishi
 Inquiries: CFO Koji Iwase TEL 03-6302-3627
 Scheduled date to file Quarterly Securities Report: August 7, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	15,289	89.5	1,835	158.1	1,752	170.5	1,166	165.1
Three months ended June 30, 2022	8,066	(7.7)	711	(9.0)	648	(9.2)	439	(9.9)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	160.41	159.73
Three months ended June 30, 2022	60.20	59.85

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	38,700	10,544	27.0
As of March 31, 2023	43,441	9,572	21.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	0.00	–	40.00	40.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	0.00	–	45.00	45.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	42,000	12.7	2,500	(14.4)	2,120	(15.8)	1,310	(16.9)	180.20

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	7,313,000 shares	As of March 31, 2023	7,311,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	41,277 shares	As of March 31, 2023	41,277 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	7,269,767 shares	Three months ended June 30, 2022	7,306,876 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	6,819,005	6,748,406
Accounts receivable - trade	328,671	318,467
Merchandise	767	6,699
Real estate for sale	20,768,036	14,317,308
Real estate for sale in process	13,054,783	14,972,112
Work in process	5,201	3,601
Other	877,019	618,474
Allowance for doubtful accounts	(3,819)	(3,669)
Total current assets	41,849,666	36,981,401
Non-current assets		
Property, plant and equipment	174,350	168,083
Intangible assets	410,942	491,047
Investments and other assets		
Other	671,136	1,198,726
Allowance for doubtful accounts	335,705	(138,936)
Total investments and other assets	1,006,841	1,059,790
Total non-current assets	1,592,134	1,718,921
Total assets	43,441,800	38,700,323
Liabilities		
Current liabilities		
Accounts payable - trade	2,179,349	478,109
Short-term borrowings	9,833,550	7,204,090
Current portion of bonds payable	68,000	68,000
Current portion of long-term borrowings	7,777,099	6,489,632
Income taxes payable	666,979	605,389
Provision for bonuses	65,548	16,279
Provision for bonuses for directors (and other officers)	70,500	—
Provision for costs after sales	86,805	96,800
Other	1,847,807	2,026,320
Total current liabilities	22,595,639	16,984,622
Non-current liabilities		
Bonds payable	802,000	782,000
Long-term borrowings	10,324,565	10,239,078
Other	147,445	149,990
Total non-current liabilities	11,274,010	11,171,068
Total liabilities	33,869,650	28,155,690

	(Thousands of yen)	
	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	617,249	618,366
Capital surplus	535,927	537,044
Retained earnings	8,286,477	9,161,047
Treasury shares	(48,732)	(48,732)
Total shareholders' equity	9,390,922	10,267,726
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	79,752	169,984
Total accumulated other comprehensive income	79,752	169,984
Share acquisition rights	7,568	7,078
Non-controlling interests	93,906	99,842
Total net assets	9,572,150	10,544,632
Total liabilities and net assets	43,441,800	38,700,323

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	8,066,737	15,289,433
Cost of sales	6,495,990	12,334,141
Gross profit	1,570,746	2,955,292
Selling, general and administrative expenses	859,459	1,119,322
Operating profit	711,287	1,835,970
Non-operating income		
Interest income	1	11
Dividend income	3	2,355
Commission income	431	445
Penalty income	200	600
Subsidies for employment adjustment	8,706	—
Other	2,909	670
Total non-operating income	12,250	4,082
Non-operating expenses		
Interest expenses	60,421	76,121
Commission expenses	13,419	8,242
Other	1,688	2,887
Total non-operating expenses	75,529	87,251
Ordinary profit	648,008	1,752,800
Profit before income taxes	648,008	1,752,800
Income taxes - current	171,741	575,841
Income taxes - deferred	31,517	10,232
Total income taxes	203,259	586,074
Profit	444,749	1,166,726
Profit attributable to non-controlling interests	4,903	573
Profit attributable to owners of parent	439,845	1,166,152

Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	444,749	1,166,726
Other comprehensive income		
Valuation difference on available-for-sale securities	(29,115)	90,232
Total other comprehensive income	(29,115)	90,232
Comprehensive income	415,633	1,256,958
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	410,729	1,256,385
Comprehensive income attributable to non-controlling interests	4,903	573