

Consolidated Financial Results for the Three Months Ended March 31, 2024 [Japanese GAAP]



May 13, 2024

Company name: robot home, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 1435
 URL: <https://corp.robothome.jp/>
 Representative: Daisaku Furuki, Representative Director/CEO
 Contact: Shinji Yasui, Director, Executive Officer/CFO
 Phone: +81-3-6447-0651
 Scheduled date of filing quarterly securities report: May 13, 2024
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Available
 Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Three Months Ended March 31, 2024 (January 1, 2024 to March 31, 2024)

(1) Consolidated operating results (% indicates changes from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 31, 2024	2,758	27.1	599	155.1	594	160.0	563	60.4
March 31, 2023	2,171	83.8	235	60.1	228	29.4	351	103.3

(Note) Comprehensive income: Three months ended March 31, 2024: ¥563 million [40.6%]
 Three months ended March 31, 2023: ¥400 million [224.2%]

	Basic earnings per share	Diluted earnings per share
Three months ended March 31, 2024	Yen 6.27	Yen -
March 31, 2023	3.91	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2024	12,501	9,067	72.5
As of December 31, 2023	12,019	8,954	71.5

(Reference) Equity: As of March 31, 2024: ¥9,064 million
 As of December 31, 2023: ¥8,591 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2023	Yen -	Yen 1.00	Yen -	Yen 1.00	Yen 2.00
Fiscal year ending December 31, 2024	-				
Fiscal year ending December 31, 2024 (Forecast)		1.00	-	1.00	2.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(% indicates year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	13,000	50.7	800	6.8	750	1.7	700	(21.0)	7.79

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New: -

Exclusion: -

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: Yes

4) Retrospective restatement: No

(4) Total number of shares outstanding (common stock)

1) Total number of shares outstanding at the end of the period (including treasury shares):

March 31, 2024: 91,127,000 shares

December 31, 2023: 91,127,000 shares

2) Total number of treasury shares at the end of the period:

March 31, 2024: 1,242,800 shares

December 31, 2023: 1,242,800 shares

3) Average number of shares during the period:

Three months ended March 31, 2024: 89,884,200 shares

Three months ended March 31, 2023: 89,884,200 shares

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions judged to be reasonable. The Company makes no warranty as to the achievability of these forecasts. Actual performance, etc. may differ significantly from these forecasts due to a wide range of factors.

Table of Contents of the Attachments

1. Qualitative Information of Quarterly Financial Results	2
(1) Explanation of operating results.....	2
(2) Explanation of financial position	3
(3) Explanation of consolidated financial results forecast and other forward-looking information	3
2. Consolidated Financial Statements and Primary Notes	4
(1) Consolidated balance sheets	4
(2) Consolidated statements of income and comprehensive income	6
Consolidated statements of income	6
Three months ended March 31, 2024	6
Consolidated statements of comprehensive income	7
Three months ended March 31, 2024	7
(3) Notes to quarterly consolidated financial statements	8
(Notes on going concern assumption)	8
(Notes on significant changes in shareholders' equity)	8
(Changes in accounting estimates)	8
(Segment information, etc.).....	9
(Matters related to revenue recognition).....	10

1. Qualitative Information of Quarterly Financial Results

(1) Explanation of operating results

The Japanese economy during the three months ended March 31, 2024 was on a gradual recovery path largely because the improvement of personal consumption and capital investment as well as the improvement of the employment condition and income environment. Meanwhile, uncertainty about the future persists as evidenced by the impact caused by global monetary tightening, a change in the Bank of Japan's monetary easing measures, soaring raw material and energy prices and other factors.

Under these circumstances, the Group has promoted DX (digital transformation) by utilizing state-of-the-art technologies such as AI/IoT and continued to update rental property management platform "robot home" through the use of those technologies. By generating a virtuous growth cycle that involves supply of new and secondhand properties to real estate owners, leasing management contracts, sale and reinvestment and further growth of the circulation on the platform, the Group has stably increased recurring income.

As a result, the performance for the three months ended March 31, 2024 was ¥2,758 million in net sales (up 27.1% year on year), ¥599 million in operating profit (up 155.1% year on year), ¥594 million in ordinary profit (up 160.0% year on year) and ¥563 million in profit attributable to owners of parent (up 60.4% year on year).

The performance of each segment is as follows.

Since the three months ended March 31, 2024, the Company has changed the reportable segment name. The details are as described in "2. Consolidated Financial Statements and Primary Notes (3) Notes to quarterly consolidated financial statements (Changes to reportable segment names)."

1) AI/IoT business

In the AI/IoT business, the Company offers its consulting services drawing on its ongoing development and operation of its rental property management platform "robot home." The Company aims for the automation of real estate management by connecting all players on the platforms, namely residents, owners, maintenance companies, leasing agents, and leasing management companies. Further, it makes inroads into the DX domain through its accumulated real estate and technological expertise. It offers comprehensive DX support service not only to the real estate industry but to other industries as well.

As a result, net sales for the three months ended March 31, 2024 were ¥128 million (up 43.7% year on year) and operating profit was ¥54 million (up 73.0% year on year).

2) robot home business

In the robot home business, the Company strived to build a virtuous growth cycle that involves supply of new and secondhand properties to real estate owners (the flow income domain), leasing management contracts (the recurring income domain), sale and reinvestment (the flow income domain) and further growth of the circulation on the platform, through the use of rental property management platform "robot home," which was built in the AI/IoT business.

In the recurring income domain, the Company implemented streamlined PM business and increased stable recurring income by introducing rental property management RPA "robot home for PM," which utilizes the core technologies such as AI/IoT. Further, the Company focused its efforts on the sustainable expansion of its profit foundations through initiatives, for example, the expansion of its business domains into the maintenance domain and the expansion of the share of company-guaranteed units.

In the flow income domain, the Company invigorated transactions in the application by further enhancing its support not only for purchase but also for asset building and sale. It focused its efforts to further stabilize its profit foundations by facilitating the circulation on the platform.

As a result, net sales for the three months ended March 31, 2024 were ¥2,637 million (up 26.6% year on year) and operating profit was ¥967 million (up 101.0% year on year).

(2) Explanation of financial position

(Assets)

Total assets at the end of the three months ended March 31, 2024 increased by ¥482 million from the end of the previous fiscal year to ¥12,501 million. This is mainly attributable to increases in property, plant and equipment of ¥328 million and cash and deposits of ¥321 million, and a decrease in real estate for sale of ¥206 million.

(Liabilities)

Total liabilities at the end of the three months ended March 31, 2024 increased by ¥8 million from the end of the previous fiscal year to ¥3,433 million. This is mainly attributable to increases in other under current liabilities of ¥250 million, short-term borrowings of ¥172 million, and provision for bonuses of ¥68 million, and a decrease of ¥455 million in accounts payable - trade.

(Net assets)

Total net assets at the end of the three months ended March 31, 2024 increased by ¥473 million from the end of the previous fiscal year to ¥9,067 million. This is mainly attributable to the recording of profit attributable to owners of parent of ¥563 million and a decrease in retained earnings resulting from the payment of a dividend of surplus of ¥89 million.

(3) Explanation of consolidated financial results forecast and other forward-looking information

No revisions have been made to the consolidated financial results forecast announced on February 14, 2024.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated balance sheets

(Thousand yen)

	As of December 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	4,718,875	5,040,702
Accounts receivable - trade	449,700	509,577
Merchandise and finished goods	20,670	18,315
Real estate for sale	3,574,848	3,368,299
Real estate for sale in process	146,158	99,114
Supplies	3,258	3,298
Other	240,760	248,865
Allowance for doubtful accounts	(121,874)	(125,658)
Total current assets	9,032,399	9,162,513
Non-current assets		
Property, plant and equipment	1,031,187	1,359,692
Intangible assets		
Goodwill	181,090	177,856
Customer-related assets	69,873	68,529
Other	134,891	138,299
Total intangible assets	385,854	384,685
Investments and other assets		
Investment securities	1,071,928	1,060,693
Deferred tax assets	232,038	240,245
Other	265,968	293,782
Total investments and other assets	1,569,935	1,594,721
Total non-current assets	2,986,977	3,339,099
Total assets	12,019,376	12,501,613

(Thousand yen)

	As of December 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	624,352	168,402
Short-term borrowings	427,500	600,100
Current portion of long-term borrowings	48,452	48,641
Income taxes payable	28,898	9,340
Deposits received	1,160,212	1,181,399
Provision for bonuses	-	68,199
Provision for loss on guarantees	384,235	372,587
Asset retirement obligations	34,337	30,800
Other	431,319	682,267
Total current liabilities	3,139,307	3,161,738
Non-current liabilities		
Long-term borrowings	218,730	205,803
Asset retirement obligations	44,134	44,151
Deferred tax liabilities	2,818	2,360
Other	20,212	19,578
Total non-current liabilities	285,894	271,892
Total liabilities	3,425,202	3,433,630
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	7,460,469	7,460,469
Retained earnings	1,395,244	1,869,183
Treasury shares	(299,986)	(299,986)
Total shareholders' equity	8,565,728	9,039,667
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	25,107	21,759
Foreign currency translation adjustment	560	3,209
Total accumulated other comprehensive income	25,667	24,968
Non-controlling interests	2,778	3,346
Total net assets	8,594,173	9,067,982
Total liabilities and net assets	12,019,376	12,501,613

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

Three months ended March 31, 2024

(Thousand yen)

	For the Three months ended March 31, 2023	For the Three months ended March 31, 2024
Net sales	2,171,075	2,758,948
Cost of sales	1,300,443	1,292,158
Gross profit	870,631	1,466,790
Selling, general and administrative expenses	635,556	867,067
Operating profit	235,074	599,722
Non-operating income		
Interest income	144	183
Dividend income	101	261
Gain on sale of goods	5,409	-
Other	2,216	21
Total non-operating income	7,872	467
Non-operating expenses		
Interest expenses	2,159	3,396
Guarantee commission	1,033	-
Commission expenses	7,000	-
Loss on investments in investment partnerships	2,203	2,030
Other	2,086	671
Total non-operating expenses	14,483	6,098
Ordinary profit	228,464	594,090
Extraordinary income		
Gain on sale of non-current assets	71	-
Gain on sale of investment securities	145,376	-
Gain on reversal of share acquisition rights	15,773	-
Gain on reversal of asset retirement obligations	-	4,027
Total extraordinary income	161,221	4,027
Extraordinary losses		
Loss on retirement of non-current assets	-	18
Loss on valuation of investment securities	29,999	26,710
Total extraordinary losses	29,999	26,728
Profit before income taxes	359,685	571,389
Income taxes	8,468	6,997
Profit	351,216	564,391
Profit (loss) attributable to non-controlling interests	(377)	568
Profit attributable to owners of parent	351,594	563,823

Consolidated statements of comprehensive income
Three months ended March 31, 2024

(Thousand yen)

	For the Three months ended March 31, 2023	For the Three months ended March 31, 2024
Profit	351,216	564,391
Other comprehensive income		
Valuation difference on available-for-sale securities	49,305	(3,348)
Foreign currency translation adjustment	398	2,649
Total other comprehensive income	49,703	(698)
Comprehensive income	400,920	563,693
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	401,297	563,124
Comprehensive income attributable to non-controlling interests	(377)	568

(3) Notes to quarterly consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in shareholders' equity)

Not applicable.

(Changes in accounting estimates)

In the first quarter of the current fiscal year, the Company has made a change in estimate regarding the asset retirement obligations that the Company recorded related to the restoration obligations associated with the real estate lease contracts, due to availability of new information on the restoration costs. The asset retirement obligations before amendment have been reduced to reflect a decrease of ¥4 million attributable to said change.

As a result of this change in estimate, profit before income taxes for the three months ended March 31, 2024 increased by ¥4 million.

(Segment information, etc.)

[Segment information]

I. For the three months ended March 31, 2023

1. Information on amounts of net sales and profit (loss) and disaggregated revenue by reportable segment

(Thousand yen)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Amounts on consolidated statements of income (Note 3)
	AI/IoT business	robot home business	Total				
Net sales							
Goods and services transferred at a point in time	34,208	1,328,274	1,362,482	-	1,362,482	-	1,362,482
Goods and services transferred for a certain period of time	53,880	604,260	658,140	-	658,140	-	658,140
Income generated by contracts with customers	88,088	1,932,534	2,020,623	-	2,020,623	-	2,020,623
Other income	-	150,451	150,451	-	150,451	-	150,451
Net sales to external customers	88,088	2,082,986	2,171,075	-	2,171,075	-	2,171,075
Inter-segment sales or transfers	1,200	-	1,200	-	1,200	(1,200)	-
Total	89,289	2,082,986	2,172,276	-	2,172,276	(1,200)	2,171,075
Segment profit or loss	31,737	481,610	513,348	(921)	512,426	(277,351)	235,074

(Notes) 1. "Others" refers to business segments not included in the reportable segments.

2. The adjustments to segment profits or losses mainly represent companywide expenses which have not been allocated to each reportable segment.

3. Segment profits or losses are adjusted with the operating profit on the quarterly consolidated statements of income.

2. Information on impairment loss of non-current assets or goodwill, etc. by reportable segment

Not applicable.

II. For the three months ended March 31, 2024

1. Information on amounts of net sales and profit (loss) and disaggregated revenue by reportable segment

(Thousand yen)

	Reportable segment			Others (Note 1)	Total	Adjustments (Note 2)	Amounts on consolidated statements of income (Note 3)
	AI/IoT business	robot home business	Total				
Net sales							
Goods and services transferred at a point in time	50,868	1,899,056	1,949,924	-	1,949,924	-	1,949,924
Goods and services transferred for a certain period of time	70,786	568,552	639,339	-	639,339	-	639,339
Income generated by contracts with customers	121,655	2,467,608	2,589,264	-	2,589,264	-	2,589,264
Other income	-	169,684	169,684	-	169,684	-	169,684
Net sales to external customers	121,655	2,637,293	2,758,948	-	2,758,948	-	2,758,948
Inter-segment sales or transfers	6,620	10	6,630	-	6,630	(6,630)	-
Total	128,276	2,637,303	2,765,579	-	2,765,579	(6,630)	2,758,948
Segment profit or loss	54,900	967,999	1,022,900	(121)	1,022,778	(423,056)	599,722

(Notes) 1. "Others" refers to business segments not included in the reportable segments.

2. The adjustments to segment profits or losses mainly represent companywide expenses which have not been allocated to each reportable segment.

3. Segment profits or losses are adjusted with the operating profit on the quarterly consolidated statements of income.

2. Matters concerning changes, etc. to reportable segments

Since the three months ended March 31, 2024, the name of the reportable segment, which was previously "Robot Home business" has been changed to "robot home business." There is no impact on segment information due to the change in the name of said reportable segment.

The segment information for the previous fiscal year is stated using the classification method after the change.

3. Information on impairment loss of non-current assets or goodwill, etc. by reportable segment

Not applicable.

(Matters related to revenue recognition)

The information on disaggregation of revenues from contracts with customers is as described in "(Segment information, etc.)" under "Notes to quarterly consolidated financial statements."