

FY2023

Supplementary materials

Ticker 4389 / May 14, 2024 (2023 April~2024 March)

FY2023 Earnings Summary



FY2023 Performance Summary(consolidated)

Net sales decreased by 11.2% YoY due to a delay in the solution services business and subsidiary sales not achieved.

Operating income decreased by 47.2% YoY due to deteriorated gross profit margin due to lower sales and increased SG&A expenses.

Sales

2,516 Mil yen
(-11.2% YoY)

**Ordinary
Profit**

437 Mil yen
(-46.9% YoY)

**Operating
Profit**

434 Mil yen
(-47.2% YoY)

**Quarter
Net Profit**

298 Mil yen
(-52.4% YoY)

※ Rounded down to the nearest million yen

○ FY2023 Performance highlights (YoY)

Net sales decreased by 11.2% YoY due to a sales delay in the solution services business and sales underachievement at own subsidiary.

Operating income decreased by 47.2% YoY due to deterioration of gross profit margin caused by sales decline and increase in SG&A expenses.

(Unit : Million Yen)		FY2022	FY2023	YoY
		Results	Results	
net sales (consolidated)		2,832	2,516	△11.2%
Property Data Bank	Cloud services	1,514	1,650	+9.0%
	Solution services	1,150	635	△44.8%
Property Data Technos		154	215	+39.3%
Property Data Science		14	17	+22.7%
Operating profit		822	434	△47.2%
Ordinary profit		822	437	△46.9%
Profit attributable to shareholders of the parent company		559	298	△52.4%

※ Rounded down to the nearest million yen

○ Difference from Earnings Forecasts Announced at the Beginning of FY2023

Net sales fell short of the initial forecast by 26.3% due to the failure of each service.

Operating income declined 47.2% from the initial forecast due to deterioration in gross profit margin and an increase in SG&A expenses.

(Unit : Million Yen)		FY2023	FY2023	relative change from forecast
		Earnings forecast announced at the beginning of FY2023	results	
net sales (consolidated)		3,420	2,516	△26.3%
Property Data Bank	Cloud services	1,680	1,650	△1.7%
	Solution services	1,240	635	△48.7%
Property Data Technos		300	215	△28.1%
Property Data Science		200	17	△91.1%
Operating profit		822	434	△47.2%
Ordinary profit		822	437	△46.9%
Profit attributable to shareholders of the parent company		559	298	△46.6%

※ Rounded down to the nearest million yen

○ Difference from Revised Earnings Forecast

Net sales fell short of the revised forecast for solution services, but growth in cloud revenues covered the shortfall.

Operating income significantly exceeded the revised forecast due to a greater-than-expected decrease in depreciation expenses and a delay in recording advertising expenses.

(Unit : Million Yen)		FY2023	FY2023	relative change from forecast
		Revised Earnings Forecast	Results	
Net sales (consolidated)		2,520	2,516	△0.1%
Property Data Bank	Cloud services	1,641	1,650	+0.6%
	Solution services	644	635	△1.3%
Property Data Technos		215	215	0.0%
Property Data Science		18	17	△6.1%
Operating profit		360	434	+20.6%
Ordinary profit		361	437	+21.1%
Profit attributable to shareholders of the parent company		246	298	+21.3%

※ Rounded down to the nearest million yen

○ FY2025 Q4 Full Year Consolidated Earnings Forecast

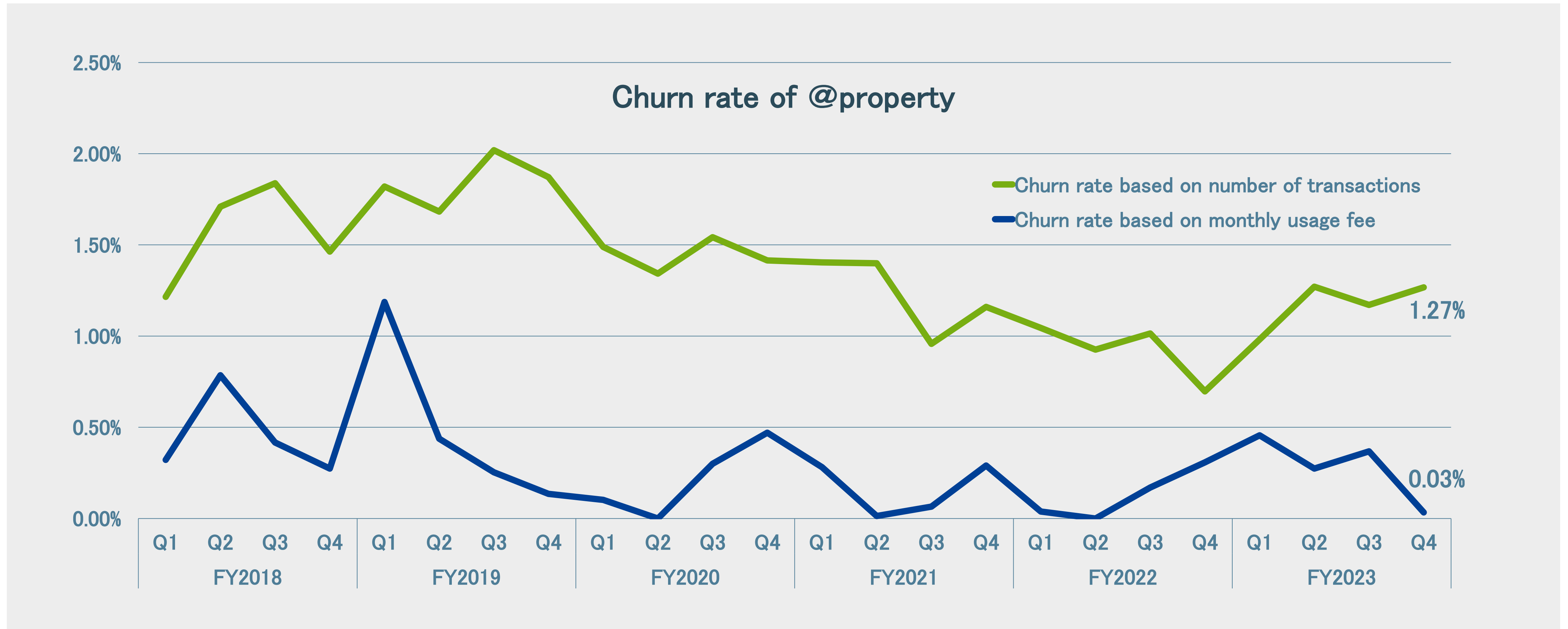
In the third year of the mid-term business plan, we will continue to build the foundation for achieving our plan by investing aggressively. Operating profit margin is expected to recover to the 20% level, although investments will continue to be made to build the foundation.

(Unit : Million Yen)		FY2023	FY2024	YoY
		Results	Earnings forecast	
Net sales (consolidated)		2,516	3,980	+58.2%
Property Data Bank	Cloud services	1,650	1,790	+8.4%
	Solution services	635	1,240	+95.1%
Property Data Technos		215	300	+39.1%
Property Data Science		17	300	+1590.1%
New Service		—	350	—
Operating profit		434	830	+91.1%
Ordinary profit		437	830	+89.8%
Profit attributable to shareholders of the parent company		298	570	+91.1%

○ 【KPI】 @property Churn rate

Churn rate based on number of cases is 1.27%, and churn rate based on monthly usage fee is 0.03%.

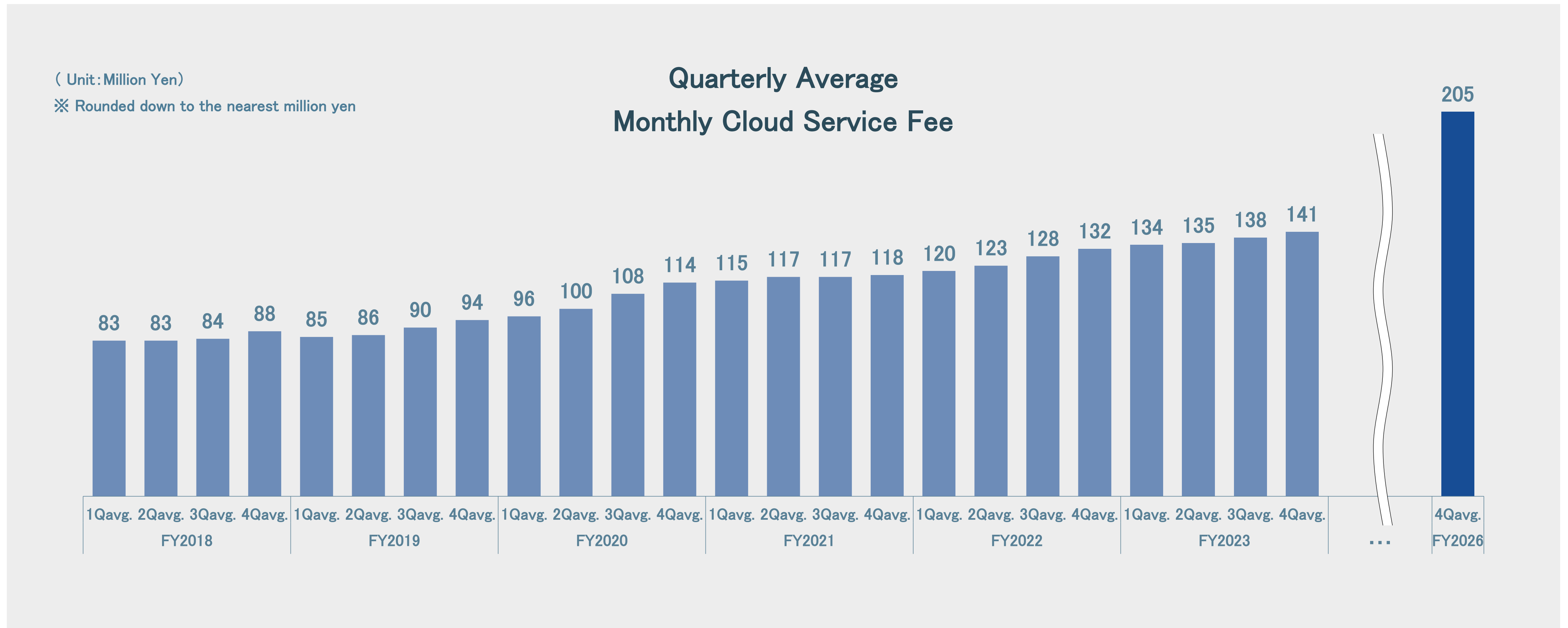
Churn tends to be among customers with low monthly usage fees and who are not making progress in using @property.



Monthly Cloud Service Fee (Quarterly Average)

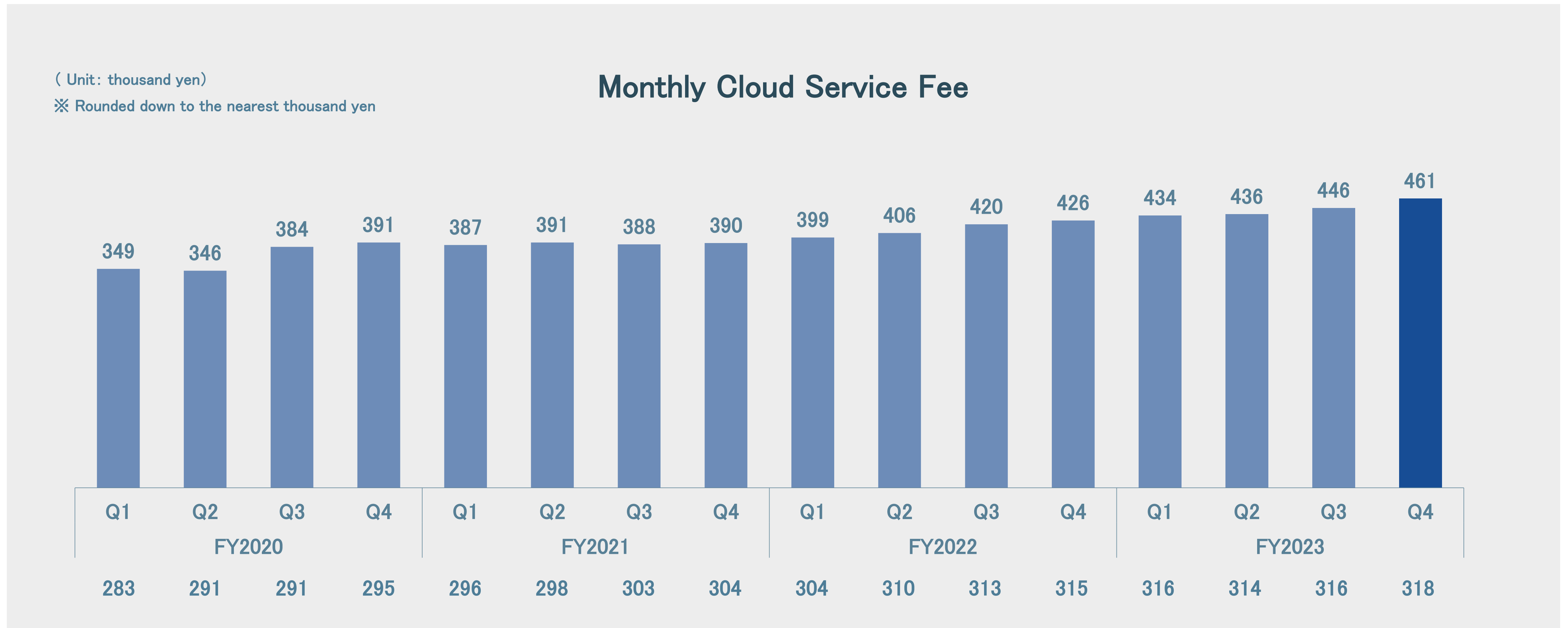
Cloud services monthly usage fees continue to expand.

In FY2024, we will strive to win new projects (mid-sized companies) and focus on increasing cloud service revenues to achieve our objectives for FY2025 and FY2026.



○ Monthly cloud service fees per company

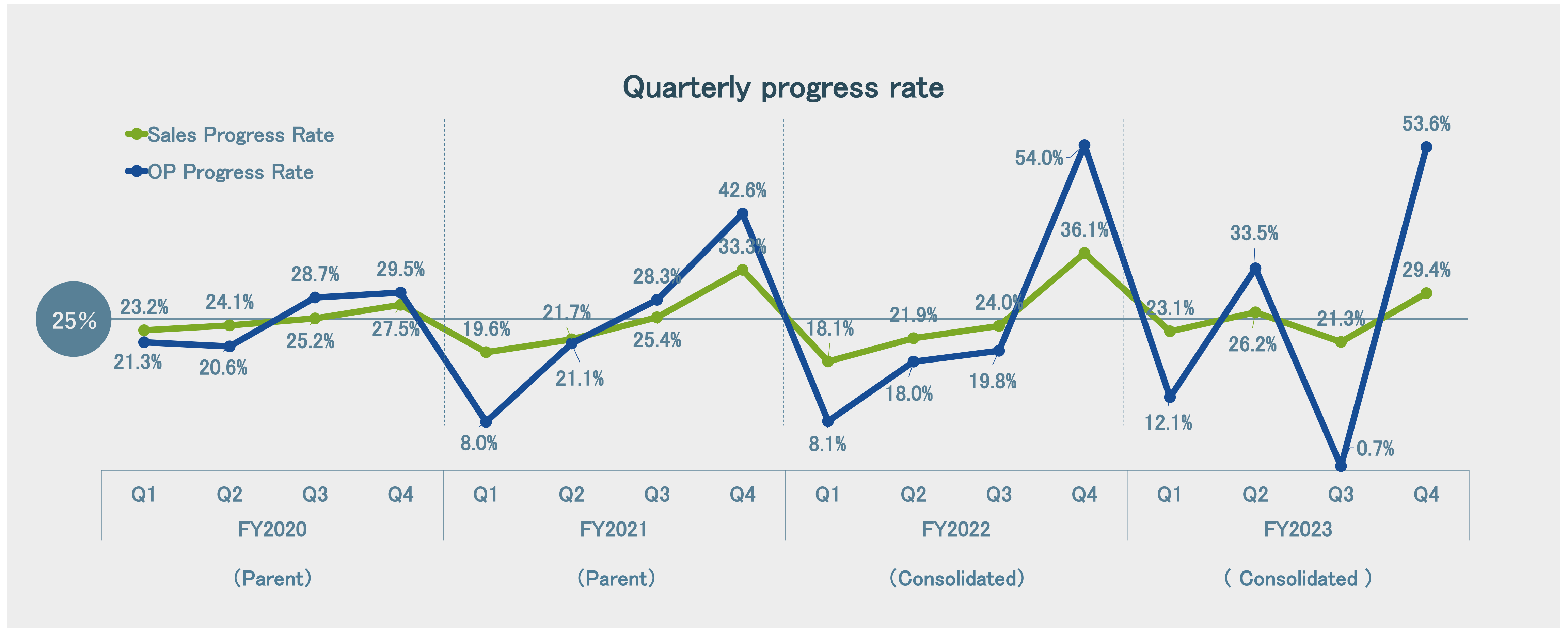
The average monthly usage fee per company continued to grow steadily as large projects (general companies) were completed. In addition, we continue to receive orders from existing clients.



Progress rates by Quarter

Sales in Q4 did not progress as much as expected due to project delays this fiscal year.

On the cost front, progress was better than expected due to unexpected reduction factors (lower depreciation, lower cost of sales, etc.).





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