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**Consolidated Financial Results for the Third Quarter
of the Fiscal Year Ending June 30, 2024
(Nine Months Ended March 31, 2024)**

[Japanese GAAP]

May 15, 2024

Company name: Japan PropTech Co., Ltd.

Stock code: 4054

Representative: Tsujimura Kunio, Representative Director, President

Contact: Senokuchi Naohiro, Director, Head of Administration Department

Tel: +81-986-25-2212

Listing: Tokyo Stock Exchange

URL: <https://www.n-create.co.jp/>

Scheduled date of filing of Quarterly Report:

May 15, 2024

Scheduled date of payment of dividend:

-

Preparation of supplementary materials for quarterly financial results:

Yes

Holding of quarterly financial results meeting:

None

(All amounts are rounded down to the nearest million yen.)

**1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending June 30, 2024
(July 1, 2023 to March 31, 2024)**

(1) Consolidated results of operations

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owner of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Mar. 31, 2024	3,069	12.4	394	121.8	395	75.3	242	81.4
Nine months ended Mar. 31, 2023	2,732	—	177	—	225	—	133	—

Note: Comprehensive income (millions of yen)

Nine months ended Mar. 31, 2024: 244 (82.5) %

Nine months ended Mar. 31, 2023: 133(-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Mar. 31, 2024	17.22	17.04
Nine months ended Mar. 31, 2023	9.40	9.27

Note: Japan PropTech has prepared consolidated financial statements from the previous fiscal year. Consequently, year-on-year changes for the nine months ended Mar. 31, 2023 are not presented.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Mar. 31, 2024	5,033	3,297	65.5
As of Jun. 30, 2023	5,109	3,121	61.1

Reference: Shareholders' equity (millions of yen)

As of Mar. 31, 2024: 3,297

As of Jun. 30, 2023: 3,121

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
	-	0.00	-	5.00	5.00

Fiscal year ended Jun. 30, 2023	-	0.00	-		
Fiscal year ending Jun. 30, 2024					
Fiscal year ending Jun. 30, 2024 (forecast)				5.00	5.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2024 (July 1, 2023 to June 30, 2024)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owner of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	4,400	16.7	700	112.3	700	86.2	380	105.1	26.77

Note: Revisions to the most recently announced earnings forecast: None

* Notes

(1) Changes in significant subsidiaries during the period: None

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

1) Number of outstanding shares as of the end of the period (including treasury shares)

As of Mar. 31, 2024: 14,354,440 shares As of Jun. 30, 2023: 14,339,440 shares

2) Number of treasury shares as of the end of the period

As of Mar. 31, 2024: 248,571 shares As of Jun. 30, 2023: 248,571 shares

3) Average number of outstanding shares during the period

Nine months ended Mar. 31, 2024: 14,094,028 shares Nine months ended Mar. 31, 2023: 14,226,050 shares

* This quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on estimates and assumptions judged to be valid and information available at the time these materials were prepared, but are not guarantees by Japan PropTech regarding future performance. Actual results may differ significantly from these forecasts for various reasons. Please refer to the section "1. Qualitative Information on Quarterly Consolidated Financial Performance" on page 2 of the attachments regarding preconditions or other related matters for the forecasts.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements	3
2. Quarterly Consolidated Financial Statements and Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statement of Income (For the Nine-month Period)	6
Quarterly Consolidated Statement of Comprehensive Income	7
(3) Notes to Quarterly Consolidated Financial Statements	8
Going Concern Assumption	8
Significant Changes in Shareholders' Equity	8
Application of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements	8

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

The Japanese economy in the third quarter of the current fiscal year has been affected by the global monetary tightening and concerns about the future of the Chinese economy, and other factors that have put downward pressure on the overseas economy risk to Japan's economy. In addition, the outlook remains uncertain due to the need to pay close attention to the effects of rising prices, the situation surrounding the Middle East region, and fluctuations in financial and capital markets. On the other hand, we expect to see an acceleration of changes and efforts toward a new capitalism, toward a transformation from a cost-cutting economy that has continued for 30 years to a growth-oriented economy driven by sustained wage increases and active investment.

In the market for real estate business support, where Japan PropTech Group provides SaaS-type cloud services, there is a chronic shortage of labor in the real estate industry, an increase in IT capital investment demand from newcomers to the market, the “full computerization of real estate transactions” which was lifted by the revised Building Lots and Buildings Transaction Business Act I, May 2022, the “invoice system” to be enforced in October 2023, and the Electronic Books Maintenance Act which goes into effect in January 2024 have increased momentum to promote DX throughout the industry. As a result, the business climate continues to be favorable for the Group's operations.

In this business environment, Japan PropTech Group has been pursuing various growth strategies to build an optimal platform for the real estate domain and to realize its three-year plan, which outlines a medium- to long-term growth plan.

*The Three-Year Business Plan covers the three-year period ending in June 2024 and includes numerous measures for growth. Information about this plan is in the Results of Operations for the Fiscal Year Ended June 30, 2024 posted on our IR website.

Our basic strategy of the Three-Year Business Plan is a Freemium strategy (see note below), which is to propose the introduction of free of charge services such as “Fudosan BB”, a B-to-B property listing platform, and “ReaPro” to increase contact with real estate agents throughout Japan, and then to sell value-added paid solutions. The fee-based services provided to the free customer base include two types of services: brokerage solutions for brokerage businesses and management solutions for rental property managers. The brokerage solutions include products and services that support operations from customer attraction to contract signing, such as website creation, real estate portal site linkage, prospect customer management (CRM), reservation of previews, IT instruction manuals, and electronic contracting. In the area of management solutions, we provide products and services that centralize the management of complicated and diverse rental management operations in a database to improve operational efficiency.

(Note) The freemium strategy is a business model in which basic services and products are provided free of charge and fees are charged for the use of more advanced functions and services.

In product development, we are developing an integrated version of “ReaPro”, which will be deployed as a paid service, and “Fudosan BB”, which will be provided free of charge. The release is scheduled for the fall of this year, and after the integration, it is expected to be the largest inter-dealer property distribution service in Japan in terms of both the number of properties and the number of businesses using the service. The two services are similar in terms of inter-dealer property distribution services, and while strategies to expand market share have been implemented in each area, after the integration, they will be consolidated into a single service and further accelerated to expand market share while strengthening cooperation with other services. For “Fudosan BB” clients who will be transitioned to the integrated service, we plan to make them a paying customer in line with the timing of the integration. As for other product development, we are focusing on developing the next version of Leasing Revolution and enhancing the functions of existing products.

In addition, the Company is also promoting research and development of new businesses that utilize the latest technologies, such as operational efficiency using generative AI and real estate data held by the Company, and is continuing to invest in anticipation of long-term growth.

With regard to the creation of a platform, which is our medium-term vision, we are progressively forming alliances with various companies, focusing on data linkage with rent guarantee companies and insurance companies. While expanding the scope of our platform we will further contribute to DX in the industry together with our partners.

Segment information is omitted because the Japan PropTech Group has only a single business segment.

The overview of each service is as follows:

Solutions for Brokers

In brokerage solutions, the Company aggressively proposed services that solve issues in the brokerage business, such as "WebManagerPro" to support attracting customers to the Company's website, "Property Data Linkage" to support attracting customers to real estate portal sites, and "Electronic Contract Service" to support the computerization of real estate contracts. In addition, a dedicated team was formed to expand sales of "ReaPro," a vendor-to-vendor property distribution service provided by subsidiary RealNet Pro Inc. and a strategy to increase market share by area was promoted, resulting in a steady accumulation of monthly usage fees from "ReaPro" fee-paying customers.

The sales of this category was 1,200 million yen.

Solutions for Property Management

For "Chintai Kakumei", this category's primary service, there were many sales activities to new customers, upgrades of services used by existing customers and additions of options. In addition, the churn rate continued to be stable at a low level, resulting in a steady accumulation of monthly usage fees.

The sales of this category was 1,837million yen.

* In addition to above sales of 3,037 million yen from the Solutions for Brokers and the Solutions for Property Management, sales of 33 million yen were recorded from other activities.

(2) Explanation of Financial Position

1) Assets

Total assets at the end of the third quarter of the current fiscal year decreased by 76 million yen from the end of the previous fiscal year to 5,034 million yen. The balance of current assets decreased by 178 million yen from the end of the previous fiscal year to 1,649 million yen. The balance of non-current assets increased by 102 million yen from the end of the previous fiscal year to 3,384 million yen.

The decrease in current assets is primarily attributable to a decrease in accounts cash equivalent. The increase in fixed assets was due to an increase in software in progress included in intangible fixed assets.

2) Liabilities

Total liabilities at the end of the third quarter decreased by 252 million yen from the end of the previous fiscal year to 1,736 million yen. The balance of current liabilities decreased by 240 million yen from the end of the previous fiscal year to 1,394 million yen.

This is mainly attributable to decrease in accounts payable-other and accrued expenses included in other current liabilities.

3) Net assets

Net assets at the end of the third quarter increased by 176 million yen from the end of the previous fiscal year to 3,298 million yen.

This is primarily attributable to an increase in retained earnings due to the booking of profit attributable to owners of parent and dividend paid.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

There are no revisions to the forecast for the fiscal year ending June 30, 2024 that was announced on August 10, 2023 with "Consolidated Financial Results for the Fiscal Year Ended June 30, 2023 [Japanese GAAP]". An announcement will be made promptly if the forecast is revised.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

(Thousands of yen)

	FY6/23 (As of Jun. 30, 2023)	Third quarter of FY6/24 (As of Mar. 31, 2024)
Assets		
Current assets		
Cash and deposits	1,157,291	926,660
Accounts receivable-trade	431,711	413,545
Merchandise	252	741
Work in process	33,306	48,148
Supplies	2,113	4,010
Other	203,958	256,648
Allowance for doubtful accounts	(1,069)	(457)
Total current assets	1,827,564	1,649,296
Non-current assets		
Property, plant and equipment	488,834	511,107
Intangible assets		
Software	409,591	324,487
Goodwill	724,052	663,714
Client assets	999,600	946,050
Other	203,822	420,546
Total intangible assets	2,337,066	2,354,798
Investments and other assets		
Other	487,345	551,716
Allowance for doubtful accounts	(30,929)	(33,215)
Total investments and other assets	456,415	518,500
Total non-current assets	3,282,316	3,384,406
Total assets	5,109,880	5,033,703
Liabilities		
Current liabilities		
Accounts payable-trade	13,487	15,435
Income taxes payable	100,232	16,181
Contract liabilities	915,064	874,696
Provision for bonuses	-	80,360
Provision for loss on orders received	6,377	15,895
Current portion of long-term borrowings	20,268	-
Other	578,323	391,464
Total current liabilities	1,633,752	1,394,033
Non-current liabilities		
Long-term borrowings	29,710	-
Asset retirement obligations	16,557	17,740
Deferred tax liability	302,452	321,286
Other	5,654	2,827
Total non-current liabilities	354,374	341,853
Total liabilities	1,988,127	1,735,886

(Thousands of yen)

	FY6/23 (As of Jun. 30, 2023)	Third quarter of FY6/24 (As of Mar. 31, 2024)
Net assets		
Shareholders' equity		
Share capital	728,448	729,648
Capital surplus	700,158	701,358
Retained earnings	1,900,817	2,073,086
Treasury shares	(207,831)	(207,831)
Total shareholders' equity	3,121,592	3,296,261
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	161	483
Deferred hedge gains and losses	-	1,072
Total accumulated other comprehensive income	161	1,555
Total net assets	3,121,753	3,297,816
Total liabilities and net assets	5,109,880	5,033,703

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statement of Income (For the Nine-month Period)

(Thousands of yen)

	Previous First nine months of FY 6/23 (Jul.1,2022 – Mar. 31, 2023)	Current First nine months of FY 6/24 (Jul. 1, 2023 – Mar. 31, 2024)
Net sales	2,732,471	3,069,972
Cost of sales	931,754	1,052,877
Gross profit	1,800,717	2,017,094
Selling, general and administrative expenses	1,622,749	1,622,428
Operating profit	177,967	394,666
Non-operating income		
Fee income	-	5,191
Insurance return	5,5141	-
Other	4,415	603
Total non-operating income	59,556	5,794
Non-operating expenses		
Interest expenses	5,630	2,671
Foreign exchange losses	4,704	1,305
Other	1,342	624
Total non-operating expenses	11,682	4,601
Ordinary profit	225,841	395,859
Extraordinary profit		
Gain on sales of fixed asset	528	441
Total extraordinary profit	528	441
Extraordinary losses		
Loss on sale of non-current assets	155	-
Loss on removal of fixed assets	10	214
Total extraordinary losses	165	214
Profit before income taxes	226,204	396,086
Income taxes	92,433	153,362
Profit	133,770	242,723
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	133,770	242,723

Quarterly Consolidated Statement of Comprehensive Income
(For the Nine-month Period)

(Thousands of yen)

	Previous First nine months of FY6/23 (Jul. 1, 2022 – Mar. 31, 2023)	Current First nine months of FY 6/24 (Jul. 1, 2023 – Mar. 31, 2024)
Profit	133,770	242,723
Other comprehensive income		
Valuation difference on available-for-sale securities	25	322
Deferred hedge gains and losses	-	1,072
Total other comprehensive income	25	1,394
Comprehensive income	133,796	244,117
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	133,796	244,117
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Application of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements

Calculation of tax expense

Tax expense was calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes for the fiscal year, and then multiplying such rate by the quarterly profit before income taxes.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments) that has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.