

# Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2021



[Japanese GAAP]

August 16, 2021

Company name: Nihon Jyoho Create Co., Ltd. Listing: Tokyo Stock Exchange (Mothers)  
 Stock code: 4054 URL: <https://www.n-create.co.jp/>  
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Scheduled date of Annual General Meeting of Shareholders: September 28, 2021  
 Scheduled date of payment of dividend: September 29, 2021  
 Scheduled date of filing of Annual Securities Report: September 29, 2021  
 Preparation of supplementary materials for financial results: Yes  
 Holding of financial results meeting: Yes

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

## 1. Financial Results for the Fiscal Year Ended June 30, 2021 (July 1, 2020 to June 30, 2021)

(1) Results of operations (Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended Jun. 30, 2021	2,617	10.2	585	11.6	642	13.5	414	12.9
Fiscal year ended Jun. 30, 2020	2,375	10.6	524	69.3	565	49.2	367	57.2

	Net income per share		Diluted net income per share		Return on equity		Ordinary profit to total assets		Operating profit to net sales	
	Yen	%	Yen	%	%	%	%	%		
Fiscal year ended Jun. 30, 2021	30.43		29.81		19.5		18.9		22.4	
Fiscal year ended Jun. 30, 2020	31.23		-		33.6		25.9		22.1	

Reference: Equity in earnings of affiliates (millions of yen) Fiscal year ended Jun. 30, 2021: -  
 Fiscal year ended Jun. 30, 2020: -

Notes: 1. Nihon Jyoho Create conducted a 10-for-1 common stock split on May 31, 2020 and a 2-for-1 common stock split on December 1, 2020. The amounts of net income per share and diluted net income per share were calculated as if these stock splits had taken place at the beginning of the fiscal year ended June 30, 2020.

2. The shares of Nihon Jyoho Create were listed on the Tokyo Stock Exchange Mothers market on July 31, 2020. As a result, diluted net income per share for the fiscal year ended June 30, 2021 is calculated by using the average stock price from the date of listing to the end of the fiscal year as the average stock price during the period.

## (2) Financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen	%	Millions of yen	%	%	Yen		
As of Jun. 30, 2021	4,323		2,983		69.0	209.69		
As of Jun. 30, 2020	2,483		1,278		51.5	108.62		

Reference: Shareholders' equity (millions of yen) As of Jun. 30, 2021: 2,983 As of Jun. 30, 2020: 1,278

## (3) Cash flows

	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities		Cash and cash equivalents at end of the period	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	
Fiscal year ended Jun. 30, 2021	555		(237)		1,264		2,817	
Fiscal year ended Jun. 30, 2020	488		70		(8)		1,234	

## 2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio	Dividends on equity
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Fiscal year ended Jun. 30, 2020	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended Jun. 30, 2021	-	0.00	-	5.00	5.00	71	16.4	3.1
Fiscal year ending Jun. 30, 2022 (forecast)	-	0.00	-	5.00	5.00		21.8	

## 3. Earnings Forecast for the Fiscal Year Ending June 30, 2022 (July 1, 2021 to June 30, 2022)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Net income per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Full year	3,084	17.8	450	(23.2)	495	(22.8)	325	(21.5)	22.91	

**\* Notes**

(1) 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

(2) Number of shares outstanding (common shares)

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

As of Jun. 30, 2021:	14,226,440 shares	As of Jun. 30, 2020:	11,767,440 shares
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- 2) Number of treasury shares as of the end of the period

As of Jun. 30, 2021:	30 shares	As of Jun. 30, 2020:	- shares
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- 3) Average number of outstanding shares during the period

Fiscal year ended Jun. 30, 2021:	13,636,230 shares	Fiscal year ended Jun. 30, 2020:	11,767,440 shares
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Note: Nihon Jyoho Create conducted a 10-for-1 common stock split on May 31, 2020 and a 2-for-1 common stock split on December 1, 2020. The number of outstanding shares as of the end of the period and the average number of outstanding shares during the period were calculated as if these stock splits had taken place at the beginning of the fiscal year ended June 30, 2020.

\* The current financial report is not subject to audit 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 Nihon Jyoho Create regarding future performance. Actual results may differ from these forecasts for various reasons.

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## 1. Overview of Results of Operations

### (1) Results of Operations

The economic outlook of Japan during this fiscal year remains uncertain with the COVID-19 pandemic still prevailing and the states of emergency in place as of the date of this report, although there were expectations for a recovery as the result of preventive measures and progress of vaccination as well as effects of various political actions.

Looking at the market of support to real estate businesses, there is increasing demand for IT-related capital investment such as teleworking under pandemic environment and digital transformation (DX) of real estate transactions. Nihon Jyoho Create provides IT solutions like SaaS-type cloud services to exactly respond to such market needs. Demands for digitalization of contract documents and elimination of seal impressions are also increasing for real estate transactions, as the Digital Reform Bill passed in May 2021 includes articles related to electronic conclusion of contract.

Under the circumstances, we have worked on the promotion of DX of the real estate industry as well as on the creation of platform as described in our medium-term vision.

As for the DX of real estate industry, we have conducted activities towards the new clients to discover potential issues and eventually provide support with paid solutions, while increasing the number of contacts using “Fudosan BB”, the inter-agent platform for listings of rental properties that we provide free of charge, and “Electronic Rent Application” that enables rent applicant to complete the application process on the website. As for support to the existing clients, we have continued to enhance after-sale follow-ups and operational support by call center, seeking adding value to the products with the release of new Business Analysis Option for management of real estate agent, as well as alliance with several rent guarantee companies. We will continue to drive DX of the industry by providing support to more real-estate businesses and acquire higher market share.

As for creation of platform as our medium-term vision, we have started collaboration with Nealle Inc. that operates Park Direct, the market leader of online rental parking. We will accelerate creation of platform to best fit real estate industry together with our partners.

Under the COVID-19 pandemic, the number of our cloud-based projects has been steadily growing to reflect the rising need for telework. Our corporate functions have not been much affected with only a few cases of teleworking, as the situation in Miyazaki has been relatively calm. The impact to our sales operations such as meeting with clients and delivery of products was not significant, thanks to the utilization of video- and teleconference as before.

Our results of operations for this fiscal year from July 1st, 2020 to June 30th, 2021 were as follows:

Net sales: 2,617 million yen, an increase of 241 million yen (10.2%) year on year

Operating profit: 585 million yen, an increase of 61 million yen (11.6%) year on year

Ordinary profit: 642 million yen, an increase of 76 million yen (13.5%) year on year

Profit: 414 million yen, an increase of 47 million yen (12.9%) year on year

The performance by service category is as follows.

#### Solutions for Brokers

We have actively made proposals of our tools and services such as promotion with own website, operation of web advertisement, and solutions related to real estate portal sites. We have also taken actions as a freemium strategy (see note) to increase values of our product by adding links of services with rent guarantee companies or lifeline agents to our “Electronic Rent Application” function of inter-agent platform that we currently provide free of charge. This has led to significant upselling, making the sales of this category to 850 million yen, or 7.8% over last year.

Note: business model in which basic services or products are provided free of charge, and a fee is charged for the use of more advanced functions or services.

### **Solutions for Property Management**

Both the sales to new and existing customers were strong. Earnings from monthly fees continued to increase as the result of promotions involving IT investment subsidies and of the demand for upgrading “Chintai Kakumei” to its cloud-based version. The sales of this category was 1,743 million yen, or 11.6% over last year.

\* In addition to above sales of 1,924 million yen from the Solutions for Brokers and the Solutions for Property Management, sales of 17 million yen was recorded from other activities.

## **(2) Financial Position**

### 1) Assets

Total assets at the end of the current fiscal year increased by 1,839 million yen from the end of the previous fiscal year to 4,323 million yen. The balance of current assets increased by 1,601 million yen from the end of the previous fiscal year to 3,413 million yen.

This is primarily attributable to an increase of 1,582 million yen in cash and deposits due to issuance of shares and sales growth resulting from proceeds from issuance of shares and IT introduction subsidies.

### 2) Liabilities

Total liabilities at the end of the current fiscal year increased by 134 million yen from the end of the previous fiscal year to 1,340 million yen. The balance of current liabilities increased by 135 million yen from the end of the previous fiscal year to 1,334 million yen.

This is primarily attributable to an increase of 154 million yen in advances received due to the growth in sales.

### 3) Net assets

Net assets at the end of the current fiscal year increased by 1,705 million yen from the end of the previous fiscal year to 2,983 million yen.

This is primarily attributable to increases of 1,290 million yen in share capital due to the issuance of shares and 414 million yen in retained earnings brought forward due to the booking of profit.

## **(3) Cash Flows**

Cash and cash equivalents (hereinafter, “cash”) at the end of the current fiscal year were 2,817 million yen, an increase of 1,582 million yen, or 128.2%, compared with the end of the previous fiscal year. The cash flow components and the main reasons for changes are as described below.

### Cash flows from operating activities

Net cash provided by operating activities was 555 million yen.

Main factors include profit before income taxes of 642 million yen, an increase of 154 million yen in advances received and income taxes paid of 223 million yen.

### Cash flows from investing activities

Net cash used in investing activities was 237 million yen.

Main factors include purchase of intangible assets of 212 million yen.

### Cash flows from financing activities

Net cash provided by financing activities was 1,264 million yen.

Main factors include proceeds from issuance of shares of 1,224 million yen.

#### **(4) Outlook**

We presume that the business environment in Japan will continue to transition with unclear outlook as the impact of COVID-19 has been prolonged. With the launch of a new digital agency following the Digital Reform Bill, digitalization of real-estate industry in Japan would be accelerated such as electronic form of contract documents and elimination of seal impressions.

Toward the goal to realize our medium-term vision “to create an innovative platform for real-estate industry with technology”, we plan to drive both sales and profit by making further investments in multiple fields in line with the business environment and progress operations. Above all, we plan to actively reinforce our sales structure so that we can make the best of our consultation skills for business support.

More precisely, we project to develop short-term manpower with a new dedicated training unit. Sales plan and goals will be followed up properly to ensure the achievement, based on our business know-how of 27 years as well as the accumulated data of performance by the length of experience. Such initiatives for salesforce will restrain the level of operating profit in short term, but our share in the industry should increase in middle or long term, and lead to the acceleration of growth of sales and profit.

In the fiscal year ending June 30, 2022, we forecast a 17.8% increase in net sales to 3,084 million yen, a 23.2% decrease in operating profit to 450 million yen, a 22.8% decrease in ordinary profit to 495 million yen and a 21.5% decrease in profit to 325 million yen.

Forecasts are based on information currently available to the company. Actual results may differ for various reasons. An announcement will be made accordingly in case modifications to the forecasts should become necessary due to COVID-19 for example.

## **2. Basic Approach to the Selection of Accounting Standards**

The consolidated financial statements are based on accounting standards generally accepted in Japan because Nihon Jyoho Create has no business operations or fund procurement activities outside Japan.

**3. Non-consolidated Financial Statements and Notes****(1) Non-consolidated Balance Sheet**

	(Thousands of yen)	
	FY6/20	FY6/21
	(As of Jun. 30, 2020)	(As of Jun. 30, 2021)
Assets		
Current assets		
Cash and deposits	1,408,164	2,990,952
Accounts receivable-trade	280,999	302,738
Merchandise	1,226	1,405
Work in process	4,992	9,859
Supplies	2,025	1,712
Accounts receivable-other	952	1,279
Prepaid expenses	112,355	99,514
Other	10,319	13,697
Allowance for doubtful accounts	(8,845)	(7,169)
Total current assets	1,812,190	3,413,988
Non-current assets		
Property, plant and equipment		
Buildings	201,557	214,821
Accumulated depreciation	(31,702)	(39,168)
Buildings, net	169,855	175,653
Structures	-	5,057
Accumulated depreciation	-	(161)
Structures, net	-	4,895
Vehicles	42,179	42,668
Accumulated depreciation	(39,162)	(40,538)
Vehicles, net	3,017	2,130
Tools, furniture and fixtures	50,586	50,697
Accumulated depreciation	(35,569)	(35,985)
Tools, furniture and fixtures, net	15,016	14,711
Land	220,745	220,745
Leased assets	7,140	7,140
Accumulated depreciation	(2,856)	(4,284)
Leased assets, net	4,284	2,856
Total property, plant and equipment	412,918	420,992
Intangible assets		
Software	33,423	59,729
Software in progress	33,137	197,439
Other	222	222
Total intangible assets	66,783	257,391
Investments and other assets		
Investment securities	3,565	33,697
Investments in capital	10	10
Long-term loans receivable	460	600
Distressed receivables	41,141	39,515
Long-term prepaid expenses	-	2,681
Deferred tax assets	53,256	42,754
Insurance funds	125,810	144,881
Other	8,883	7,213
Allowance for doubtful accounts	(41,155)	(40,116)
Total investments and other assets	191,972	231,239
Total non-current assets	671,673	909,623
Total assets	2,483,864	4,323,611

	(Thousands of yen)	
	FY6/20 (As of Jun. 30, 2020)	FY6/21 (As of Jun. 30, 2021)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	5,550	8,493
Lease obligations	1,542	1,542
Accounts payable-other	127,685	112,918
Accrued expenses	221,978	221,661
Income taxes payable	147,045	140,127
Advances received	693,841	848,677
Deposits received	661	449
Provision for loss on order received	-	226
<b>Total current liabilities</b>	1,198,305	1,334,095
<b>Non-current liabilities</b>		
Lease obligations	3,084	1,542
Asset retirement obligations	4,321	4,804
<b>Total non-current liabilities</b>	7,405	6,346
<b>Total liabilities</b>	1,205,711	1,340,442
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	74,395	719,408
<b>Capital surplus</b>		
Legal capital surplus	44,395	689,408
<b>Total capital surplus</b>	44,395	689,408
<b>Retained earnings</b>		
Other retained earnings		
Retained earnings brought forward	1,159,371	1,574,318
<b>Total retained earnings</b>	1,159,371	1,574,318
Treasury shares	-	(66)
<b>Total shareholders' equity</b>	1,278,161	2,983,068
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	(8)	101
<b>Total valuation and translation adjustments</b>	(8)	101
<b>Total net assets</b>	1,278,153	2,983,169
<b>Total liabilities and net assets</b>	2,483,864	4,323,611



**(2) Non-consolidated Statement of Income**

(Thousands of yen)

	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)
Net sales	2,375,552	2,617,526
Cost of sales	631,286	721,931
Gross profit	1,744,265	1,895,594
Selling, general and administrative expenses	1,219,463	1,309,788
Operating profit	524,801	585,806
Non-operating income		
Interest income	32	24
Interest on securities	3,866	-
Dividend income	31	31
Commission income	7,587	9,119
Insurance return	40,751	57,277
Gain on sale of investment securities	4,406	-
Other	1,551	5,321
Total non-operating income	58,227	71,774
Non-operating expenses		
Going public expenses	16,099	14,519
Foreign exchange losses	641	625
Other	512	17
Total non-operating expenses	17,253	15,162
Ordinary profit	565,775	642,419
Extraordinary income		
Gain on sale of property, plant and equipment	75	8
Total extraordinary income	75	8
Extraordinary losses		
Loss on retirement of property, plant and equipment	31	32
Total extraordinary losses	31	32
Profit before income taxes	565,819	642,394
Income taxes-current	209,183	216,968
Income taxes-deferred	(10,906)	10,478
Total income taxes	198,276	227,447
Profit	367,542	414,947

**Cost of Sales Statement**

(Thousands of yen)

Item		FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)		FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)	
		Amount	%	Amount	%
I. Labor cost		441,517	58.1	451,578	47.1
II. Expenses	Note 1	318,965	41.9	507,512	52.9
Total manufacturing costs		760,482	100.0	959,090	100.0
Beginning work in process		12,558		4,992	
Total		773,041		964,083	
Ending work in process		4,992		9,859	
Transfer to other account	Note 2	190,387		311,615	
Total		577,660		642,608	
Beginning merchandise inventory		906		1,226	
Cost of purchased goods		53,945		79,501	
Total		632,513		723,336	
Ending merchandise inventory		1,226		1,405	
Cost of sales		631,226		721,931	

Notes: 1. Major breakdown of expenses is as follows:

(Thousands of yen)

Item	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)
Outsourced processing expenses	80,739	179,461
Cloud expenses	159,530	240,578
Provision for loss on order received	(121)	226
Amortization of software	10,813	19,453

2. Breakdown of transfer to other account is as follows:

(Thousands of yen)

Item	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)
Software in progress	52,951	207,272
R&D expenses	85,665	56,294
In-house maintenance expenses	29,181	30,699
Product maintenance expenses	19,746	11,669
Other	2,842	5,679
Total	190,387	311,615

**Cost accounting**

Nihon Jyoho Create has adopted actual cost accounting under the job-order cost system.

**(3) Non-consolidated Statement of Changes in Equity**

FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Balance at beginning of period	74,395	44,395	44,395	791,828	791,828	-	910,618
Changes during period							
Issuance of new shares							-
Issuance of new shares-exercise of share acquisition rights							-
Profit				367,542	367,542		367,542
Purchase of treasury shares							-
Net changes in items other than shareholders' equity							-
Total changes during period	-	-	-	367,542	367,542	-	367,542
Balance at end of period	74,395	44,395	44,395	1,159,371	1,159,371	-	1,278,161

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	1,799	1,799	912,418
Changes during period			
Issuance of new shares			-
Issuance of new shares-exercise of share acquisition rights			-
Profit			367,542
Purchase of treasury shares			-
Net changes in items other than shareholders' equity	(1,808)	(1,808)	(1,808)
Total changes during period	(1,808)	(1,808)	365,734
Balance at end of period	(8)	(8)	1,278,153

FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)

(Thousands of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Balance at beginning of period	74,395	44,395	44,395	1,159,371	1,159,371	-	1,278,161
Changes during period							
Issuance of new shares	612,053	612,053	612,053				1,224,106
Issuance of new shares-exercise of share acquisition rights	32,960	32,960	32,960				65,920
Profit				414,947	414,947		414,947
Purchase of treasury shares						(66)	(66)
Net changes in items other than shareholders' equity							-
Total changes during period	645,013	645,013	645,013	414,947	414,947	(66)	1,704,906
Balance at end of period	719,408	689,408	689,408	1,574,318	1,574,318	(66)	2,983,068

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(8)	(8)	1,278,153
Changes during period			
Issuance of new shares			1,224,106
Issuance of new shares-exercise of share acquisition rights			65,920
Profit			414,947
Purchase of treasury shares			(66)
Net changes in items other than shareholders' equity	109	109	109
Total changes during period	109	109	1,705,016
Balance at end of period	101	101	2,983,169

**(4) Non-consolidated Statement of Cash Flows**

	(Thousands of yen)	
	FY6/20	FY6/21
	(Jul. 1, 2019 – Jun. 30, 2020)	(Jul. 1, 2020 – Jun. 30, 2021)
Cash flows from operating activities		
Profit before income taxes	565,819	642,394
Depreciation	42,389	47,867
Increase (decrease) in allowance for doubtful accounts	(25,685)	(2,714)
Increase (decrease) in provision for loss on order received	(604)	226
Interest and dividend income	(63)	(55)
Interest income on securities	(3,866)	-
Gain on maturity of insurance contract	(40,751)	(57,277)
Loss (gain) on sale of investment securities	(4,406)	-
Loss (gain) on sale of property, plant and equipment	(75)	(8)
Loss on retirement of property, plant and equipment	31	32
Going public expenses	16,099	14,519
Decrease (increase) in trade receivables	(8,963)	(21,739)
Decrease (increase) in inventories	7,151	(4,731)
Decrease (increase) in prepaid expenses	(23,528)	12,841
Decrease (increase) in distressed receivables	(40,724)	1,625
Increase (decrease) in accounts payable-other	17,509	(6,614)
Increase (decrease) in accrued expenses	41,642	(317)
Increase (decrease) in advances received	99,975	154,835
Increase (decrease) in deposits received	(8,570)	(211)
Other, net	(8,893)	(1,282)
Subtotal	624,485	779,388
Interest and dividends received	315	55
Income taxes paid	(136,016)	(223,886)
Net cash provided by (used in) operating activities	488,784	555,558
Cash flows from investing activities		
Purchase of property, plant and equipment	(20,345)	(31,491)
Purchase of intangible assets	(53,952)	(212,954)
Purchase of investment securities	-	(30,000)
Proceeds from sale of investment securities	60,398	-
Purchase of insurance funds	(19,252)	(57,723)
Proceeds from maturity of insurance funds	104,371	95,930
Other, net	(237)	(1,341)
Net cash provided by (used in) investing activities	70,981	(237,581)
Cash flows from financing activities		
Payments for listed preparations expense	(7,000)	(23,619)
Proceeds from issuance of shares	-	1,224,106
Proceeds from issuance of shares resulting from exercise of share acquisition rights	-	65,920
Repayments of lease obligations	(1,542)	(1,542)
Purchase of treasury shares	-	(66)
Net cash provided by (used in) financing activities	(8,542)	1,264,797
Net increase (decrease) in cash and cash equivalents	551,224	1,582,775
Cash and cash equivalents at beginning of period	683,384	1,234,608
Cash and cash equivalents at end of period	1,234,608	2,817,383

**(5) Notes to Non-consolidated Financial Statements****Going Concern Assumption**

Not applicable.

**Segment Information**

Segment information is omitted because Nihon Jyoho Create has only a single business segment, which is the “real estate operations support” business.

**Equity in Earnings of Affiliates**

Not applicable.

**Per-share Information**

(Yen)

	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)
Net assets per share	108.62	209.69
Net income per share	31.23	30.43
Diluted net income per share	-	29.81

Notes: 1. Nihon Jyoho Create conducted a 10-for-1 common stock split on May 31, 2020 and a 2-for-1 common stock split on December 1, 2020. The amounts of net assets per share, net income per share and diluted net income per share were calculated as if these stock splits had taken place at the beginning of FY6/20.

2. Diluted net income per share for FY6/20 is not presented. Although there were outstanding dilutive securities, it is not possible to determine an average stock price because the shares of Nihon Jyoho Create were not listed.

3. The shares of Nihon Jyoho Create were listed on the Tokyo Stock Exchange Mothers market on July 31, 2020. As a result, diluted net income per share for FY6/21 is calculated by using the average stock price from the date of listing to the end of the fiscal year ended June 30, 2021 as the average stock price during the period.

4. The basis of calculating the net income per share is as follows:

	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)
Profit (Thousands of yen)	367,542	414,947
Amount not attributable to common shareholders (Thousands of yen)	-	-
Profit applicable to common shares (Thousands of yen)	367,542	414,947
Average number of common shares outstanding (Shares)	11,767,440	13,636,230
Summary of potential stock not included in the calculation of diluted net income per share since there was no dilutive effect	One type of share acquisition rights (Number of share acquisition rights: 36,000 units)	-

5. The basis of calculating the net assets per share is as follows:

	FY6/20 (Jul. 1, 2019 – Jun. 30, 2020)	FY6/21 (Jul. 1, 2020 – Jun. 30, 2021)
Total net assets (Thousands of yen)	1,278,153	2,983,169
Deduction on total net assets (Thousands of yen)	-	-
Net assets applicable to common shares at the fiscal year end (Thousands of yen)	1,278,153	2,983,169
Number of common shares at the fiscal year end used in calculation of net assets per share (Shares)	11,767,440	14,226,410

**Subsequent Events**

Not applicable.

*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.*