

# Results of Operations for the First Half of the Fiscal Year Ending June 30, 2022

**A growth strategy for creating platforms**

February 14, 2022

Nihon Jyoho Create Co., Ltd.  
(Tokyo Stock Exchange Mothers Market: 4054)

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# 1H FY6/22 Financial Results

Sales and Earnings Exceeded the Plan

## Financial Highlights

# A strong performance backed by property management solutions sales growth

(Millions of yen)	1H FY6/21	1H FY6/22	YoY change
<b>Net sales</b>	<b>1,302</b>	<b>1,509</b>	<b>+15.9%</b>
Brokerage solutions	416	450	+8.2%
Property management solutions	874	1,040	+19.0%
<b>Gross profit</b>	962	1,125	+14.5%
<b>Gross profit margin</b>	73.9%	74.6%	+0.7pt
<b>Operating profit</b>	339	368	+8.5%
<b>Operating margin</b>	26.0%	24.4%	-1.6pt
<b>EBITDA</b>	347	379	-
<b>Ordinary profit</b>	368	405	+9.9%
<b>Profit</b>	256	281	+9.8%

### Results of operations

Property management solutions was the major component of growth. Sales of the Chintai Kakumei rental property management system, both sales to new customers and resales, gained momentum. An upgraded version of an existing product also contributed to growth.

### Outlook

Plan to further increase expenditures during the 2H for strengthening products and for recruiting activities. Plan to use the big increase in the number of sales offices (11 on Jul. 1, 2021 to 29 as of Feb. 2022) to hire salespeople nationwide and hire engineers, mainly at the Tokyo headquarters.

Brokerage solutions is sales of brokerage support services provided to real estate brokers.

Property management solutions is sales of administration support services provided to rental management companies.

## Assessment of Performance

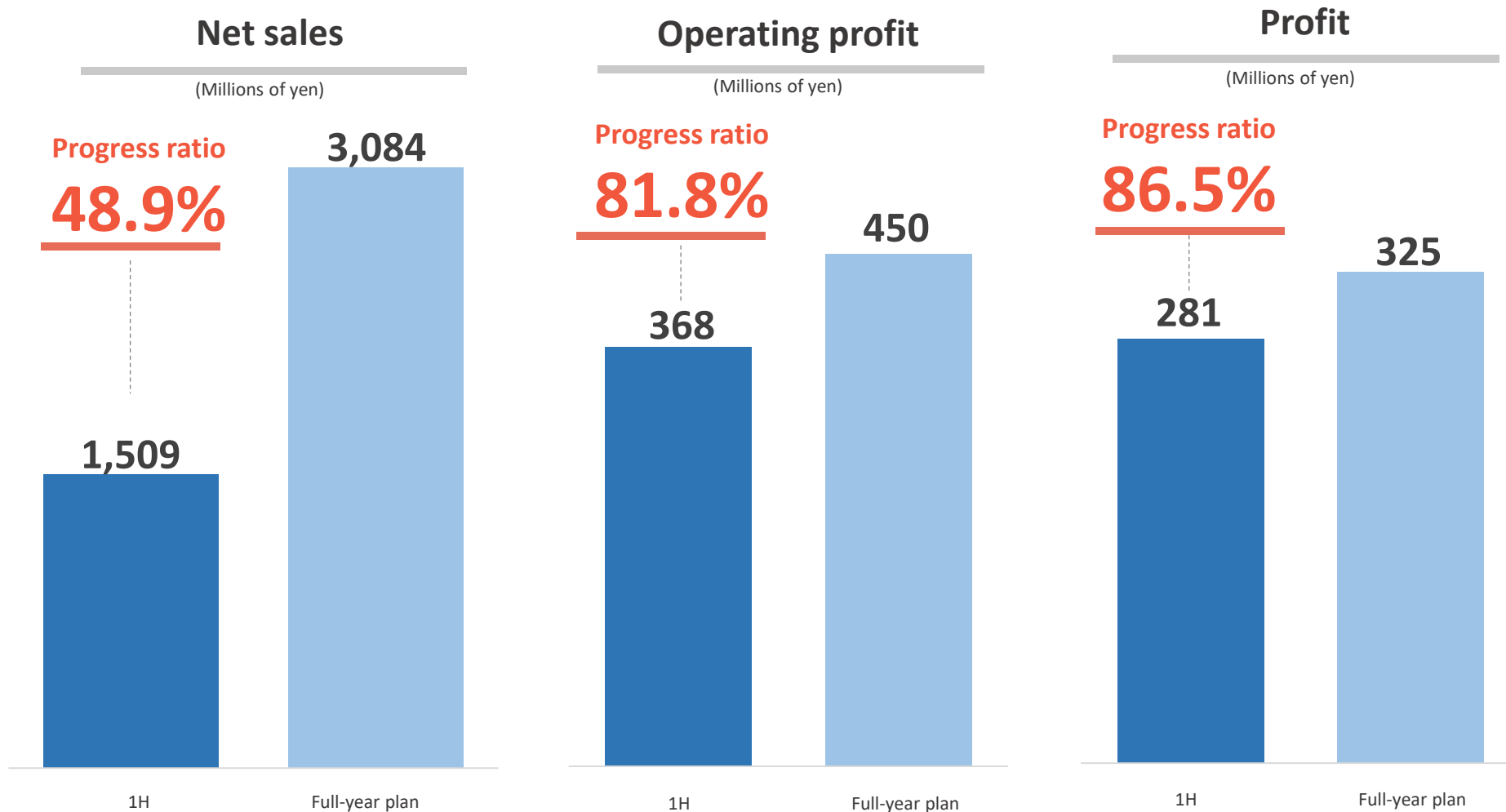
Both sales and earnings increased to a record high. Cross-selling to current customers was a major source of growth. Focusing on recruiting activities and adding new customers during the 2H.

Individual Strategies	1H Assessment		Upcoming actions
<b>Product Strategy</b>	○	<ul style="list-style-type: none"> <li>▪ Development work is progressed as planned for the upgrade of the Fudosan BB</li> <li>▪ e-contract service started</li> <li>▪ Sales of Web Manager Small 3 started</li> <li>▪ An alliance with Metaps Payment Inc.</li> <li>▪ An alliance with Momiji Card, Inc.</li> <li>▪ An alliance with ehime reliance card. Inc</li> </ul>	Use more alliances to raise the value of platforms while continuing to increase the value of NJC's own services.
<b>People Strategy</b>	○	<ul style="list-style-type: none"> <li>▪ Have already reached 63% of the recruiting target for the year. 20 people selected to join NJC in 3Q or later. Expect to hire people as planned.</li> <li>▪ Established a training program to make people productive quickly. Use OJT and training tools to create an environment for education and conduct training programs periodically.</li> </ul>	<p>To hire 60 salespeople during FY6/22 as planned, using recruiting media and employment services to increase the number of applicants and reviewing the hiring decision process to speed up and strengthen recruiting activities.</p> <p>Continue providing trainings to make people productive quickly.</p>
<b><u>Customer Strategy</u></b>	△	<ul style="list-style-type: none"> <li>▪ Completed the opening of sales offices, raising the nationwide network to 29 locations.</li> <li>▪ Successful upselling/cross-selling of current customers</li> <li>▪ <b>Steady addition of new customers for free services, but there were issues regarding the allocation of people to positions for signing up new customers for services with fees.</b></li> </ul>	<p>Attract new customers and upsell/cross-sell current customers by using people recruited through activities of NJC sales offices nationwide.</p> <p><b>Realign the allocation of salespeople to reflect the customer strategy.</b></p>

## Financial Highlights

# Solid progress in relation to the FY6/22 plan, big increase in earnings

### ■ First Half vs. FY Plan



## Financial Highlights (Quarterly)

Sales growth along with recruiting activities and more sales offices, the cancellation rate remained low

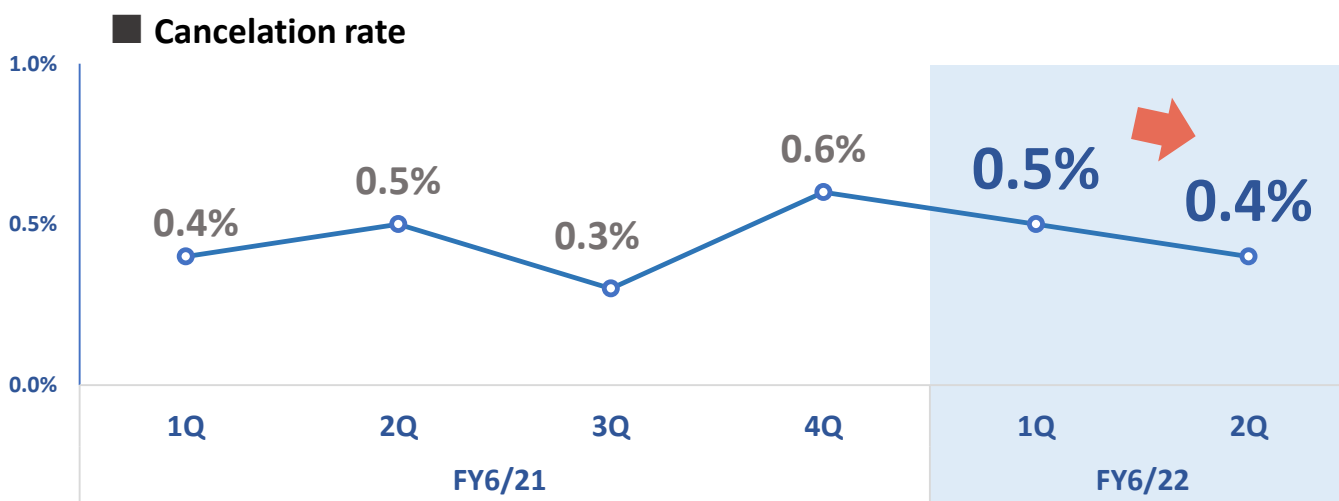
	FY6/21				FY6/22	
	1Q	2Q	3Q	4Q	1Q	2Q
Net sales	648	654	639	675	743	<b>765</b>
Brokerage solutions	205	211	213	220	220	<b>230</b>
Property management solutions	437	437	420	449	515	<b>525</b>
Operating profit	163	175	114	132	176	<b>191</b>
Operating margin	25.2%	26.9%	17.9%	19.6%	23.8%	<b>25.0%</b>
Ordinary profit	150	217	135	137	214	<b>190</b>
Profit	104	151	94	63	149	<b>132</b>

### Sales

Quarterly sales are increasing

**+16.9% QoQ**

A 3-year plan started in FY6/22. Salespeople hired in FY6/21 and FY6/22 are contributing to a faster sales growth rate.



### 2Q FY6/22 Cancellation Rate

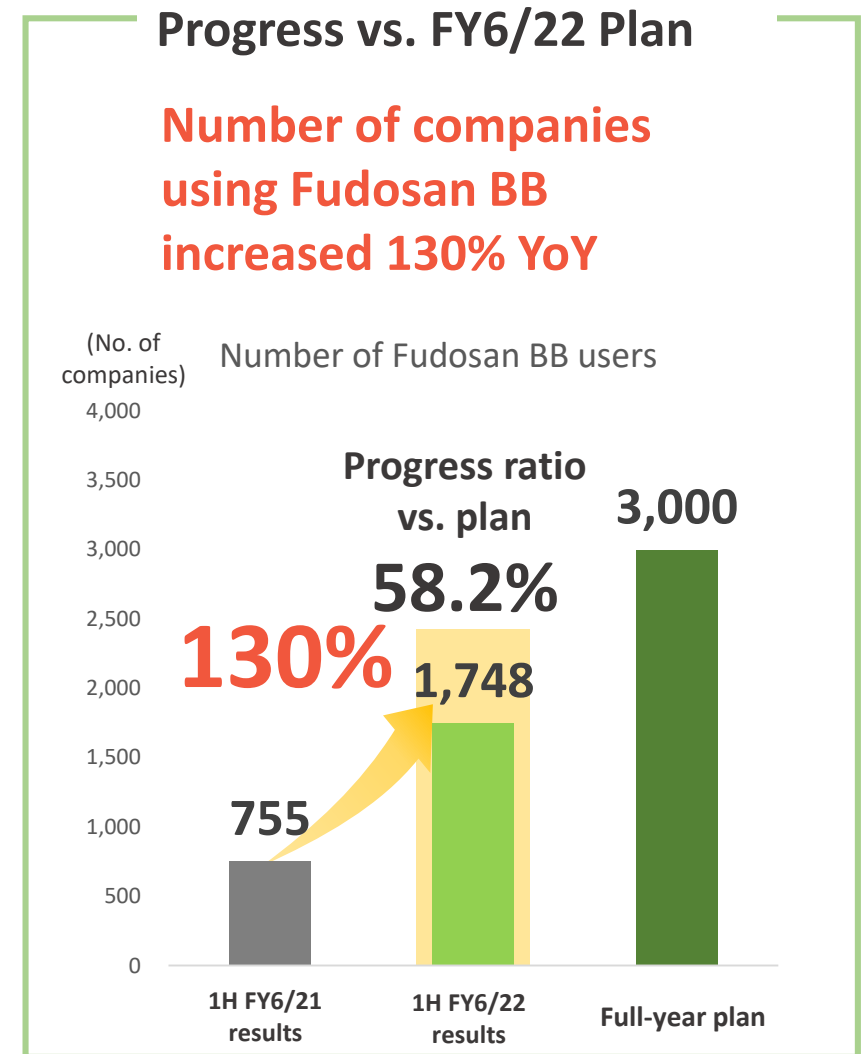
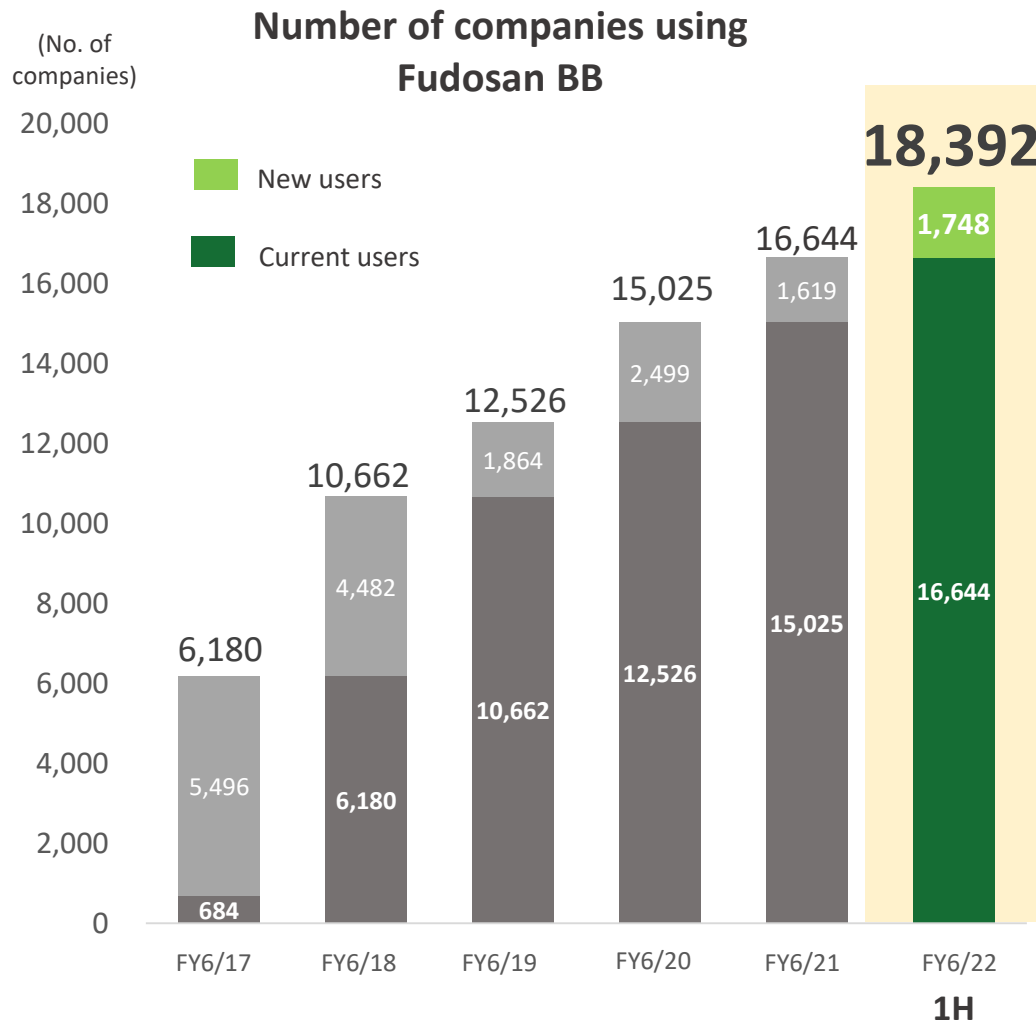
**0.4%**

FY6/21 Average cancellation Rate: 0.5%

The cancellation rate is the decrease in monthly fees caused by contract cancellations divided by fees in that month from existing contracts.

## Steady Growth (1)

- Companies using the free B-to-B Property Listing Platform (Fudosan BB)  
Steady growth due to more salespeople

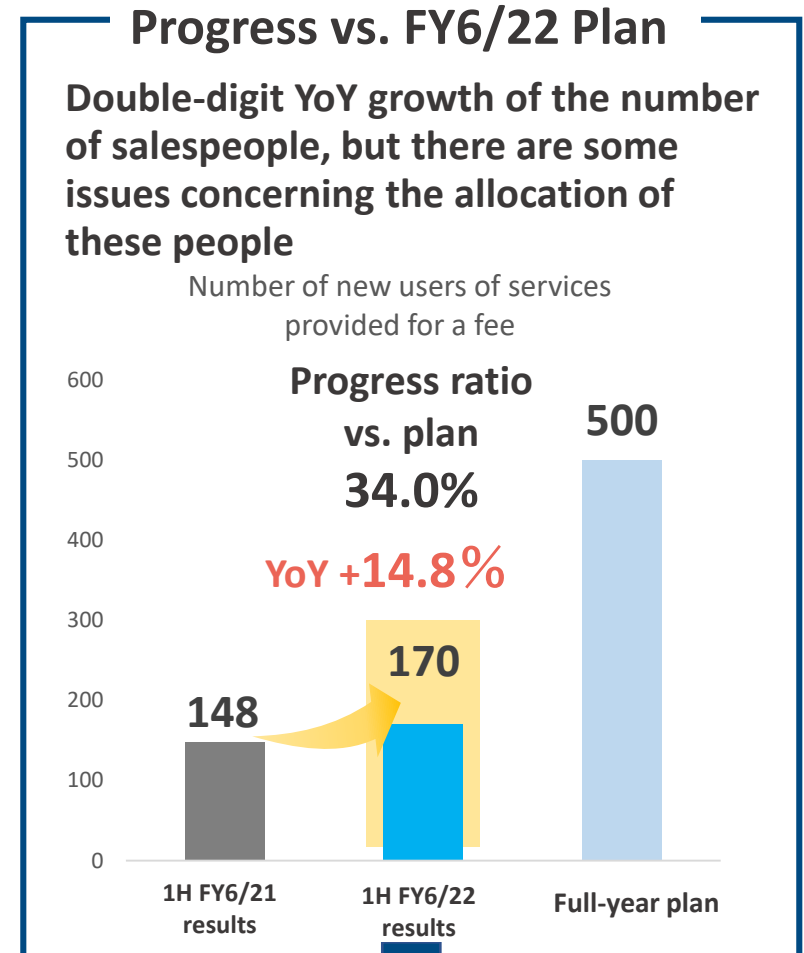
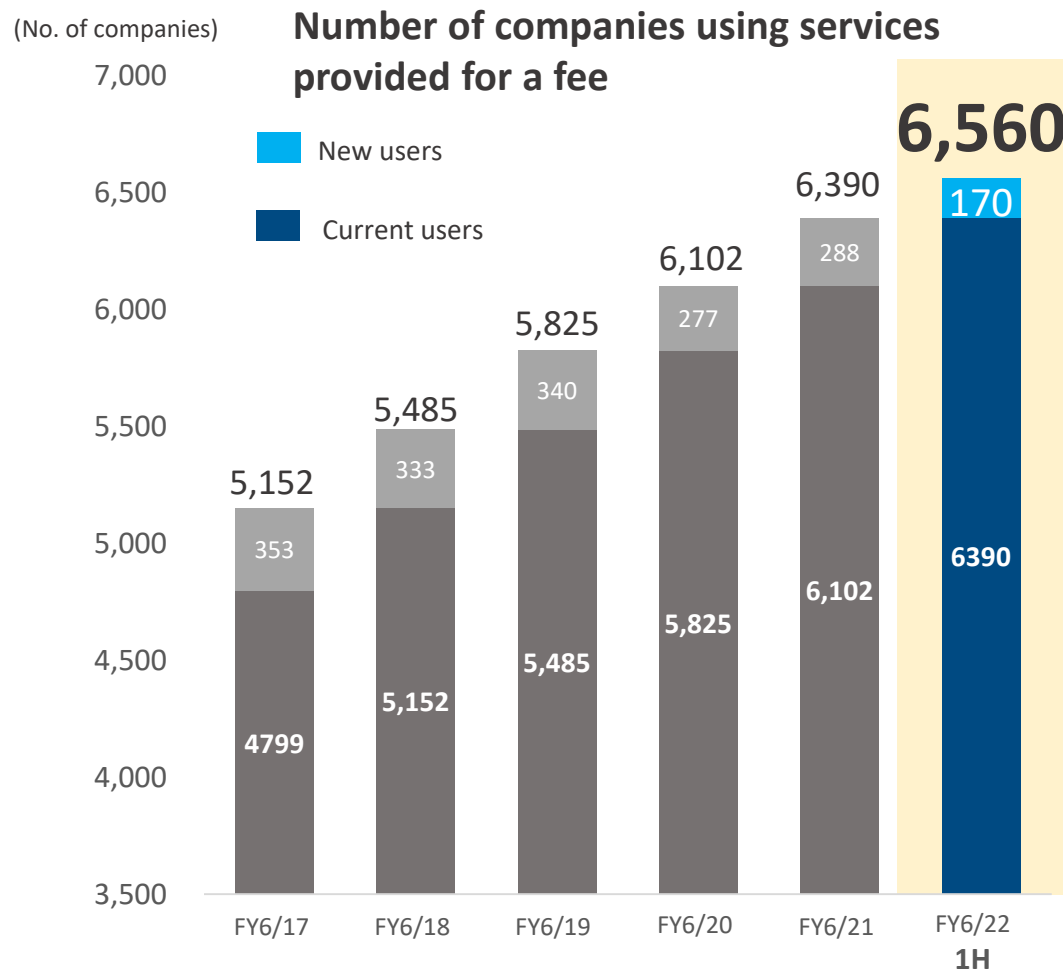




## Steady Growth (2)

- Increasing number of companies using services provided for a fee

Demand for these services at current customers is increasing.  
The number of new customers is increasing faster than in FY6/21.

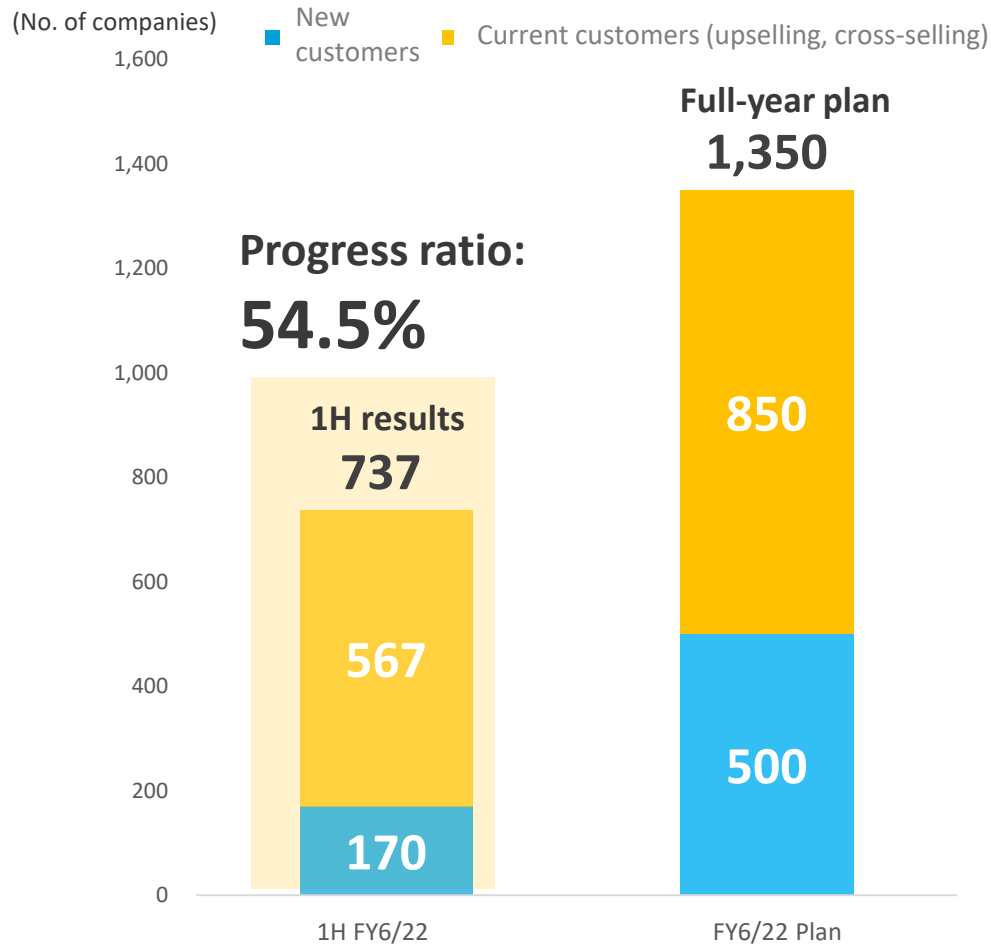


The number of new users increased faster than in FY6/21 and an even faster pace is planned for the 2H as salespeople are hired and become productive quickly.

## Steady Growth (3)

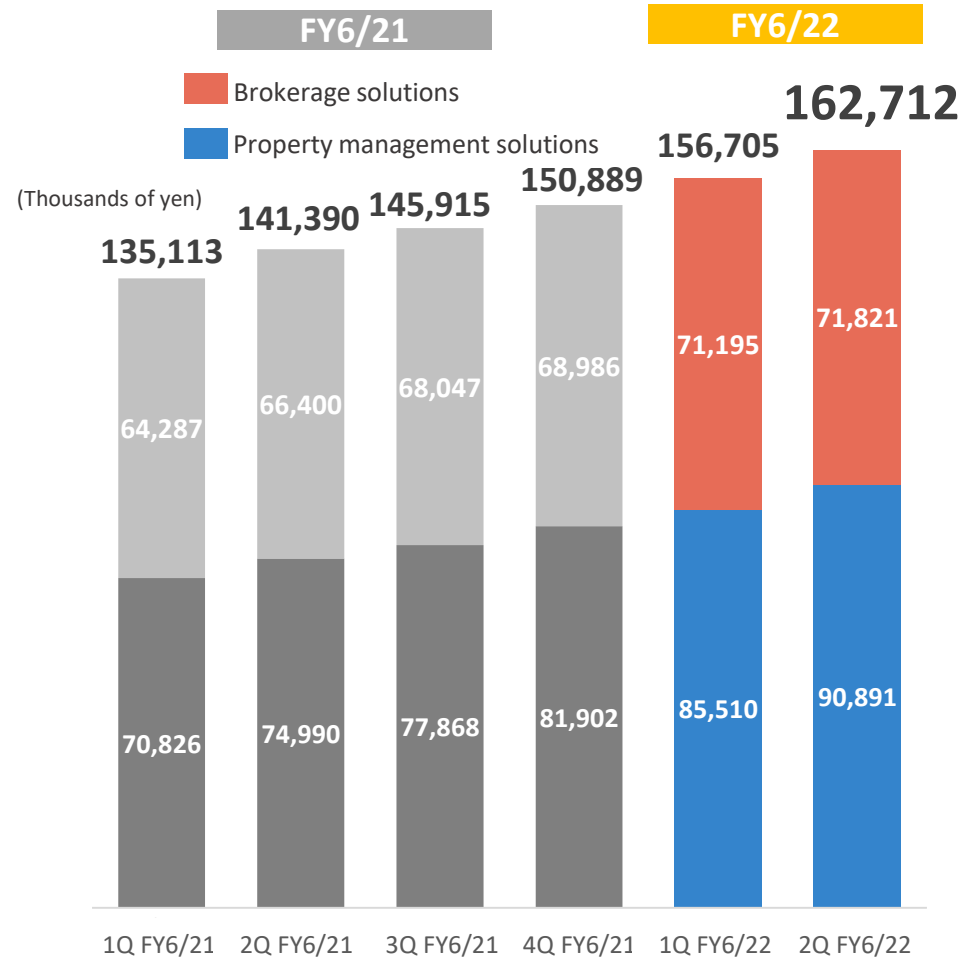
### Total orders vs. the plan

Orders were higher than planned and, due to the larger number of salespeople and a review of the sales strategy, even faster growth is expected in the 2H.



### Growth of monthly recurring revenue

Solid monthly recurring revenue continued to increase by upselling/cross-selling new and current customers

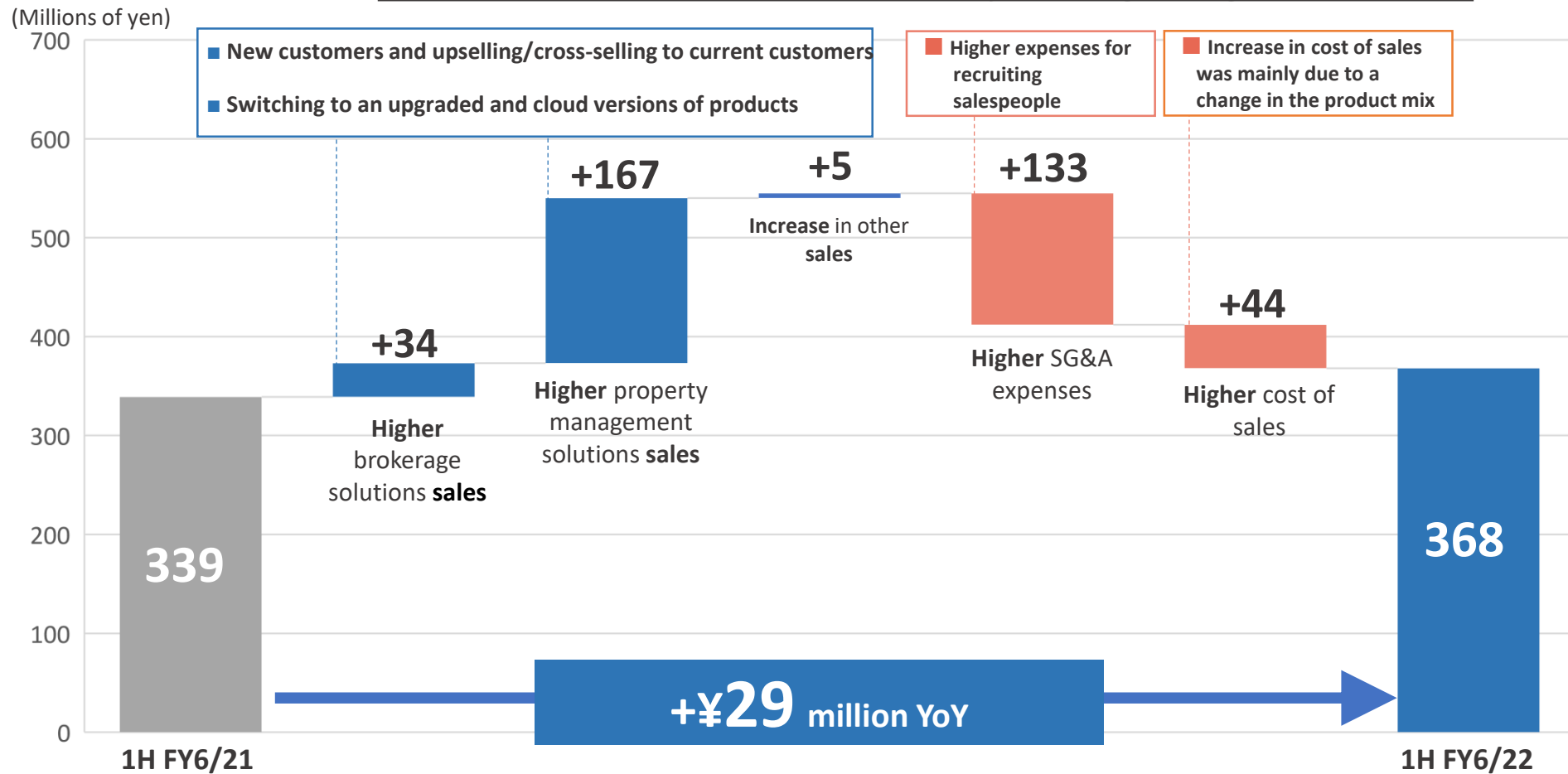


## Components of Change in Operating Profit

Sales increased due to new customers and upselling/cross-selling to current customers

Investments for 29 sales offices and a larger sales force

**Operating profit: ¥368 million    Operating margin: 24.4%**



# First Half Progress and Accomplishments

## Product Strategy Progress

### Stronger products and more alliances with partners to enlarge the customer base

#### Under development

#### Progress as planned with developing a new version of Fudosan BB

The upgraded version is expected to have a CRM function and cover property transactions. In addition, more added value will help increase the number of customers.

\* Scheduled to be released in stages for each area.

B-to-B Property Listing Platform



#### New products

#### Started selling the E-Contract Service

Launched this service ahead of the May 2022 start of electronic real estate contracts in Japan.

Currently, parking lot contracts and renewal contracts can be signed electronically. Started measures to build a foundation for increasing sales of this new service.

System for online contracts

**e-contract**



#### Started selling Web Manager Small 3

This tool for the production of websites specializing in real estate has an affordable price. Speeding up activities to sell this product to new businesses and potential users in many other market categories.

**WebManagerSmall3**



#### Business alliances

#### Alliance with Metaps Payment Inc.

Released an e-payment service for real estate companies

A cashless payment service for real estate transactions and payments by tenants when moving into a property

System for online cashless payment

**e-payment service**



#### New alliances with rent guarantee companies

Data link for electronic tenant applications for an apartment or other residential rental property

- An alliance with Momiji Card, Inc.
- An alliance with ehime reliance card.inc



## New Product



# Digital contract process increases key strength of integrated coverage

## Use of seamless data links for solutions for overall optimization



### Passage of digital reform laws

The Act concerning Digital Reforms was approved by Japan's Diet on May 12, 2021. **One result was the elimination of the requirement of personal and corporate seals on real estate contracts.** Parking lot contracts and renewal contracts can be signed electronically at this time. The next step is the elimination of the requirement for seals on new real estate contracts.



### Increase the speed of the real estate DX

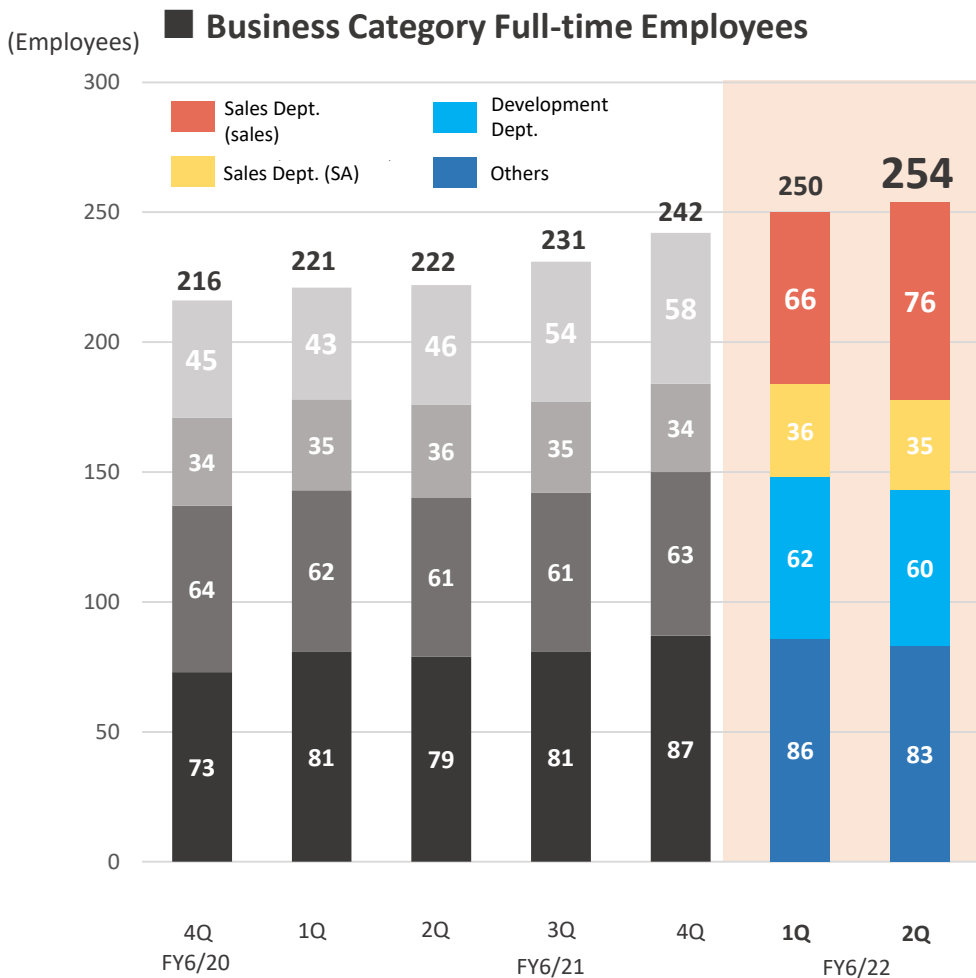
Elimination of the need for personal and corporate seals on paper real estate contracts will accelerate the digital transformation of the real estate industry.

## People Strategy Accomplishments

# Achieved 63% of the FY6/22 salespeople recruiting goal

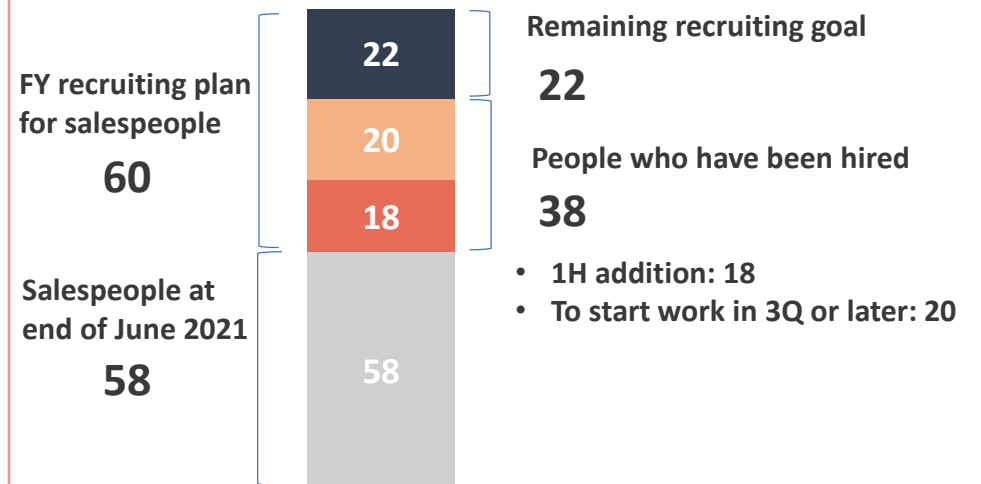
\*as of Feb. 14, 2022

# Used local recruiting to recruit motivated young people



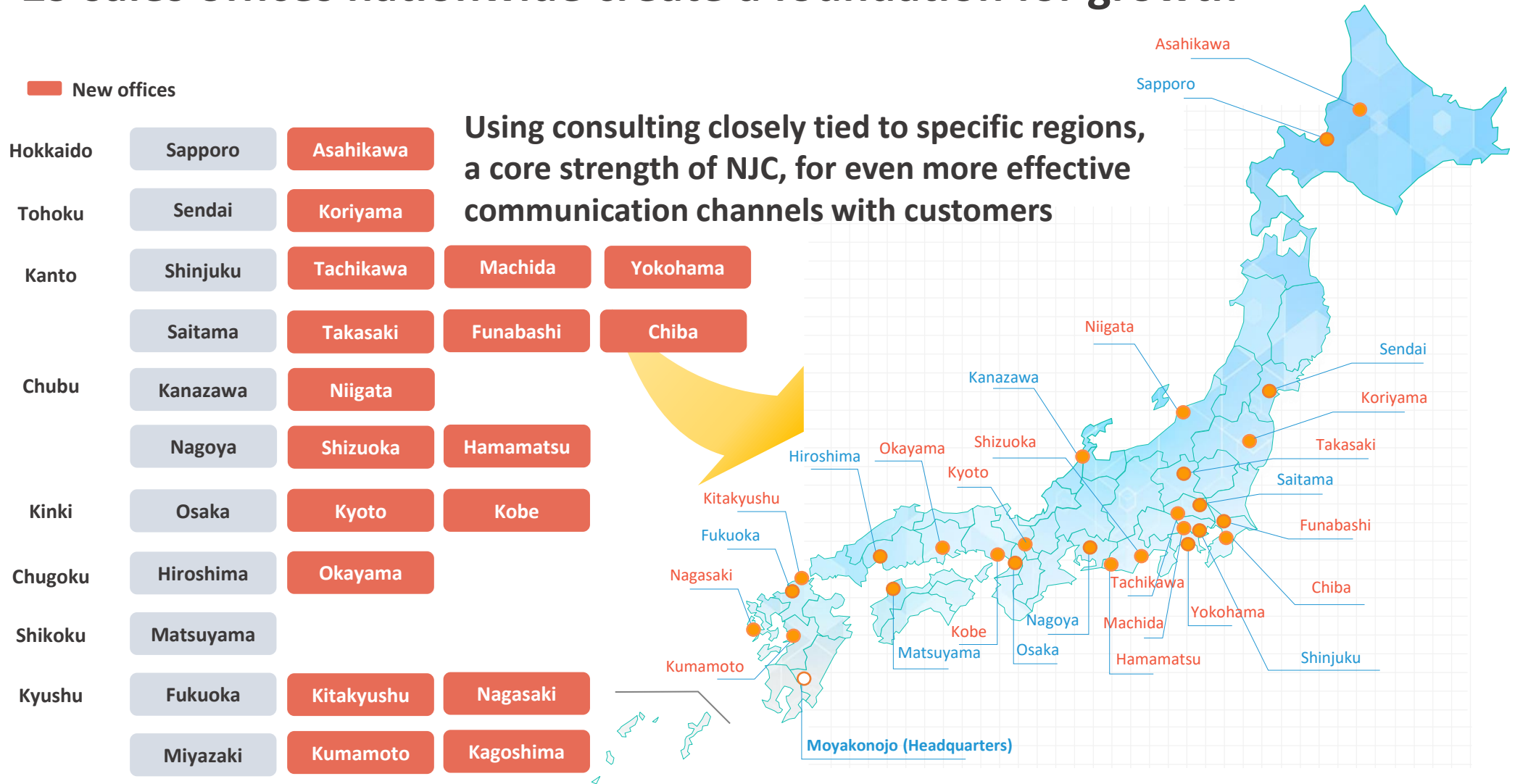
## 63% of the FY6/22 salespeople recruiting goal as of Feb. 14, 2022

38 salespeople have been hired, including 18 who started working in 1H and 20 who will start in 3Q or afterward.



# Customer Strategy Accomplishments

## Completed network expansion, a major growth strategy initiative 29 sales offices nationwide create a foundation for growth





## People and Customer Strategy Accomplishments

# Established the Tokyo headquarters

Two headquarters create a stronger base for growth

### Purposes of adding the Tokyo headquarters

- Increase ability to recruit people for engineering and other jobs
  - A stronger strategy for alliances
  - Hire and retain a diverse workforce
  - Reinforce sales capabilities
- Aim for other benefits**

\*The Tokyo headquarters is currently located at the Shinjuku office.

## Customer Strategy Accomplishments

# Quickly making new salespeople productive by using online training tools and a more effective sales manual

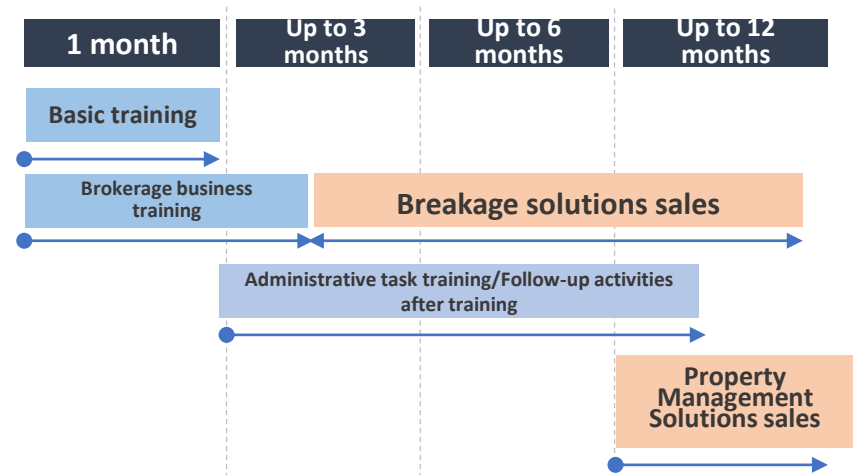
### ■ Use new tools to make people productive quickly

- Design a curriculum for rapid progress
- Conduct online interactive lessons
- Use videos for the effective use of short periods of free time
- Interactive training that allows employees to learn with each other



### ■ Upgrade training with the goal of starting sales activities in the second month at NJC

- Comprehensive support by a department specializing in training (philosophy, products, sales methods)
- IT skill education by using support of the IT development department
- Sales skill classes led by NJC sales specialists
- Periodic consultations and interviews by the human resources department



# Second Half Activities

## Investments Starting in the 2H

# Investments in two categories for business growth

## Investments in people

### Investments in recruiting

1

Expect higher recruiting expenses for the 3Q-4Q hiring plan. Additional recruiting media activities and other measures for attracting more applicants. Have newly hired people start work quickly.

### Investments in education and follow-up activities after training

2

Reinforce training and follow-up activities. Make people productive quickly.

### Medium/long-term investments in skill development

3

Manager training and education using 360-degree evaluations. Organization/suitability diagnosis using the HR system and other activities for employees to upgrade skills over many years.

## Investments in offices and products

### Investments in sales offices

1

Office openings were completed in the 1H. Now upgrading strategies for individual offices, training and other aspects of sales office operations with the goal of speeding up sales growth.

### Investments to develop products

2

- Strengthen engineering and call center capabilities to capture a large share of the market for e-contract systems.
- Invest in a development framework for an upgraded version of Fudosan BB.
- System development activities for a stronger brokerage support service with no face-to-face contact with the goal of becoming even more competitive in the real estate brokerage market.

## Faster Sales Growth by Using a Hiring-to-Training Framework

More recruiting of salespeople and fast training for sales growth



A larger workforce and the development of professional skills will be essential for the establishment of a product lineup for the overall optimization of real estate business processes.

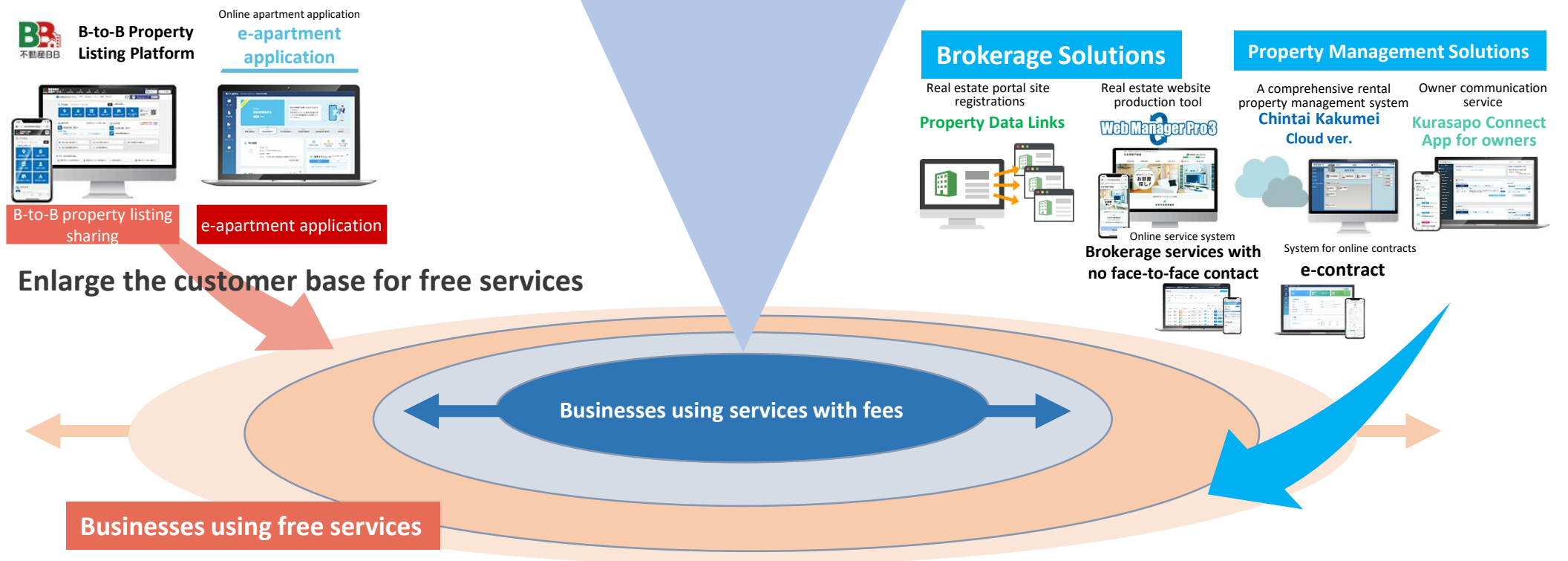


## Faster Switching of Users from Free to Fee Services

# A stronger sales strategy for adding new customers



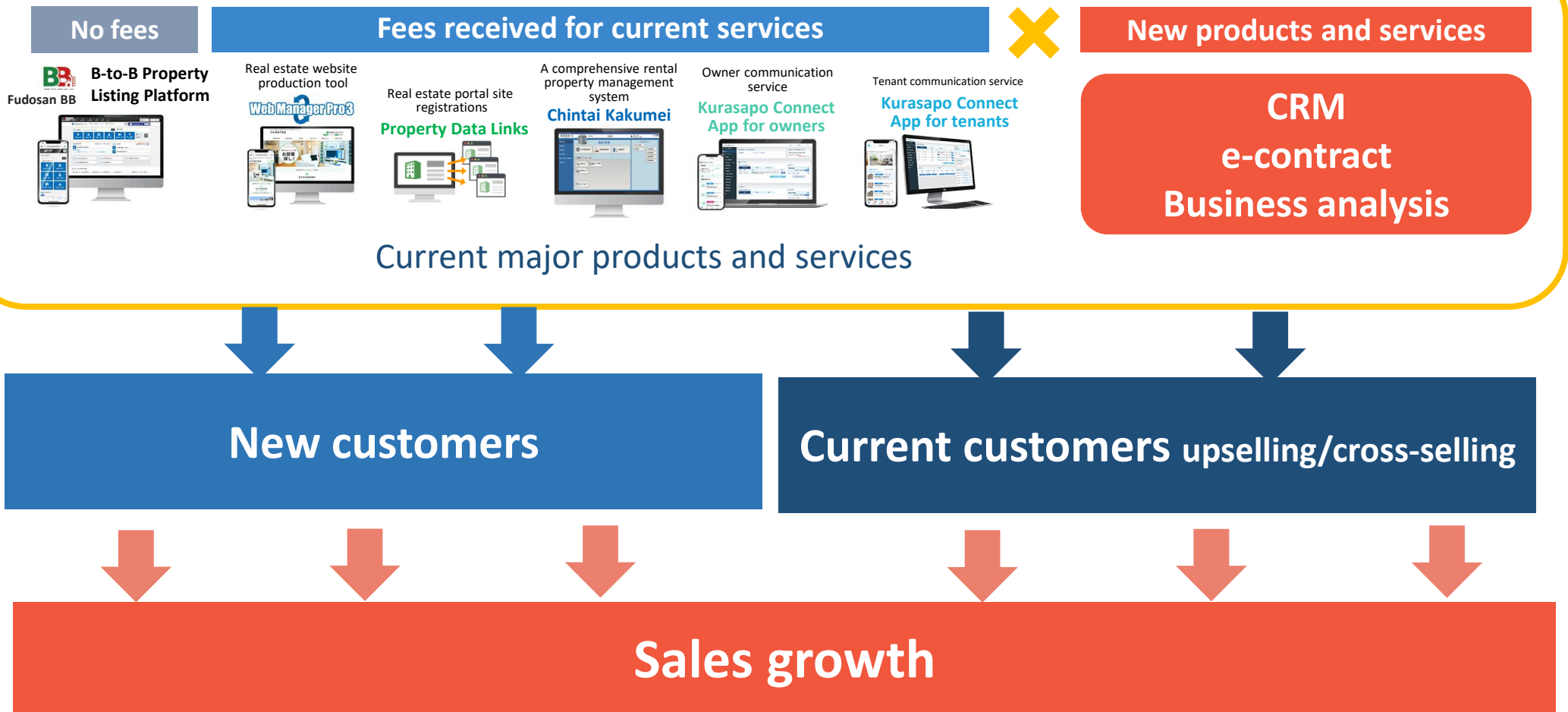
Use a diverse product lineup to attract new customers in many ways



## A Product Strategy for Achieving Sales Growth

Use an expanded product lineup for cross-selling to current customers and adding new customers for sales growth

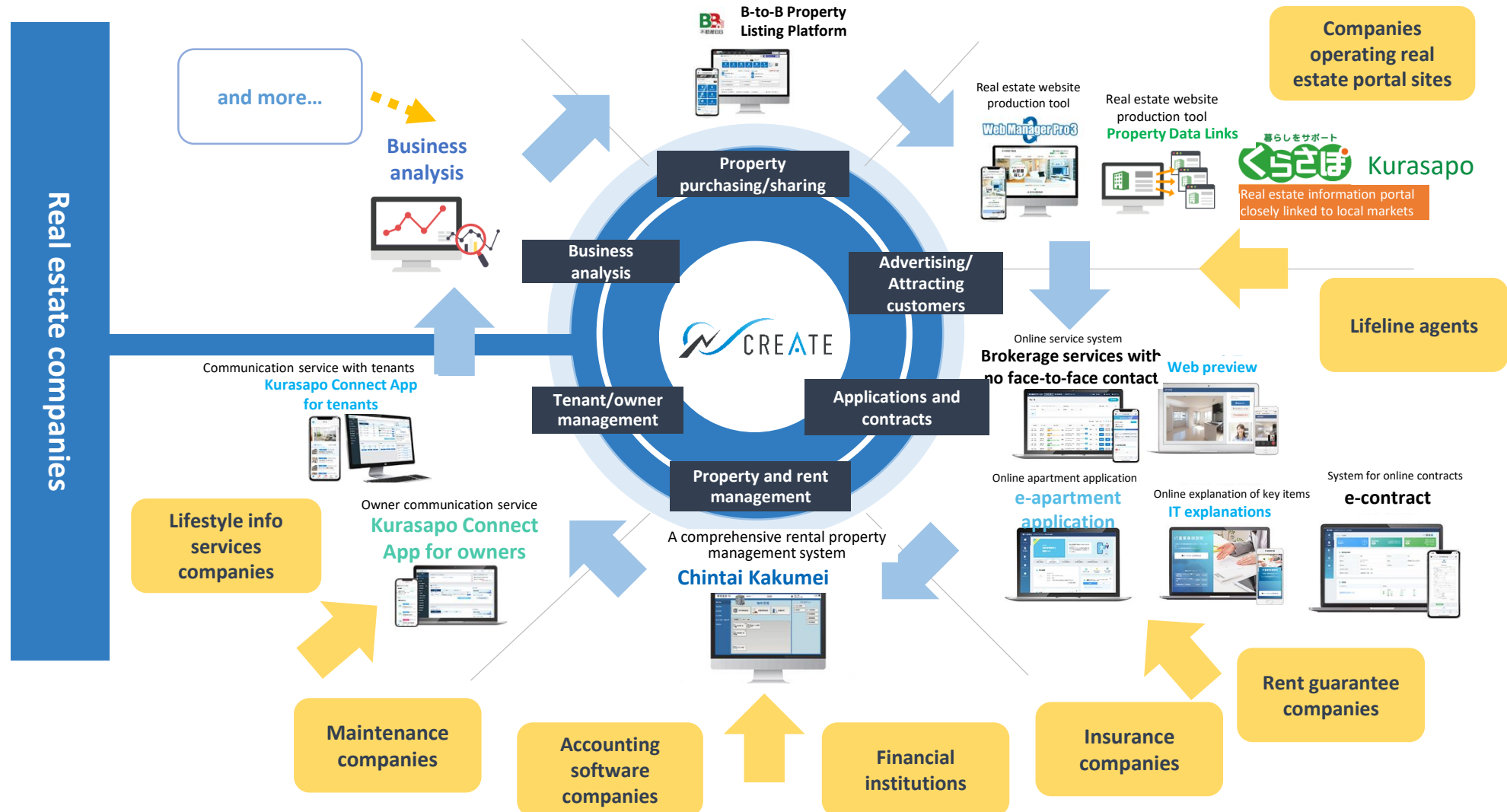
### A larger lineup of products



# Nihon Jyoho Create Platforms

**Platform**  
Full coverage of real estate business processes

Stepping up the pace of growth of our platform by using the strengths of products and services covering all real estate business processes





# Appendix

## Mission & Vision

# Mission

**Dedicated to the happiness of  
everyone we serve!**

# Vision

**Use technology to create innovative  
platforms for the real estate sector**

## Become a platformer in the real estate domain

**Our goal is to build platforms that transform dreams into reality and make many people happy.**

**Real estate transactions produce happiness and appreciation by fulfilling customers' dreams in the form of a property that precisely matches their requirements. This is our belief. Real estate companies are dedicated to achieving the simple goal of transforming customers' dreams into reality and making them happy. We play a role in this happiness by using the latest technologies to create extremely convenient platforms for real estate companies.**

**Yonetsu Kenichi, Representative Director, President**



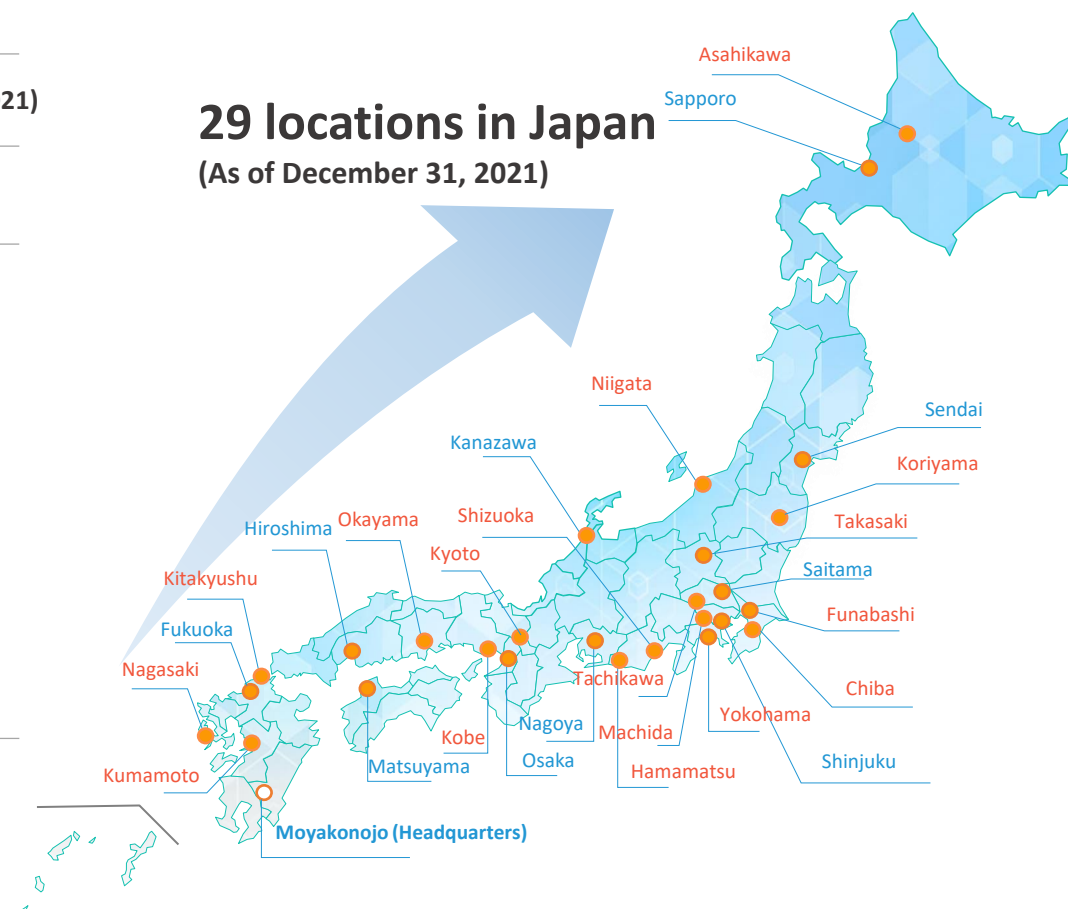
## Company Profile

Company name	Nihon Jyoho Create Co., Ltd.
Establishment	August 1994
Location	13-18 Kanmachi, Miyakonojo-shi, Miyazaki prefecture
Number of employees	266 including 242 full-time employees (As of June 30, 2021)
Business activities	Development and sales of application systems and services for real estate industry
Executive officers	<p>Yonetsu Kenichi, Representative Director, President</p> <p>Maruta Hideaki, Director, Head of Development Dept</p> <p>Arai Atsushi, Director, Head of Sales Dept</p> <p>Senokuchi Naohiro, Director, Head of Administration Dept</p> <p>Umino Daisuke, Director, Chair of Audit &amp; Supervisory Committee</p> <p>Miura Hiroshi, External Director, Audit &amp; Supervisory Committee member</p> <p>Yamamoto Osamu, External Director, Audit &amp; Supervisory Committee member</p>
Listed market	Tokyo Stock Exchange (Mothers) code: 4054

### Offices

Sapporo/Asahikawa/Sendai/Koriyama/Takasaki/Niigata  
 Shinjuku/Tachikawa/Saitama/Funabashi/Chiba/Yokohama/Machida  
 Osaka/Kyoto/Kobe/Kanazawa/Nagoya/Hamamatsu/Shizuoka  
 Hiroshima/Okayama/Matsuyama/  
 Fukuoka/Kikakyusyu/Nagasaki/Kumamoto/Miyazaki (Headquarters)

### 29 locations in Japan (As of December 31, 2021)



## [Reference] Profile of Business Operations

Established

In **1994**

Number of business locations in Japan

**29**

\*as of December 31, 2021

Number of employees

**254**

\*as of December 31, 2021

Net sales

**27th consecutive year of sales growth**

Average of monthly cancelation rates

**0.5%**

\*as of June 2021 result

Users of products

Users of free services

**18,392**

\*as of December 31, 2021

Rental management system ranking (number of users)

**No.1**

\*1

MRR

**162 million**

\*as of December 31, 2021

Users of services with fees

**6,560**

\*as of December 31, 2021

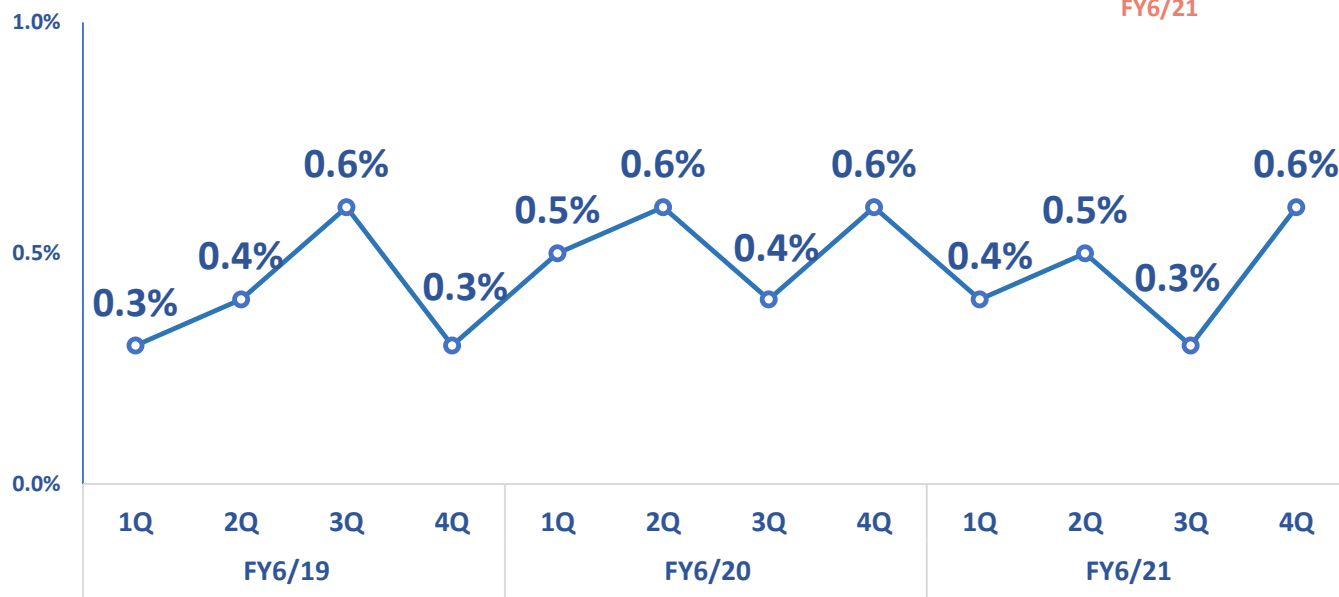
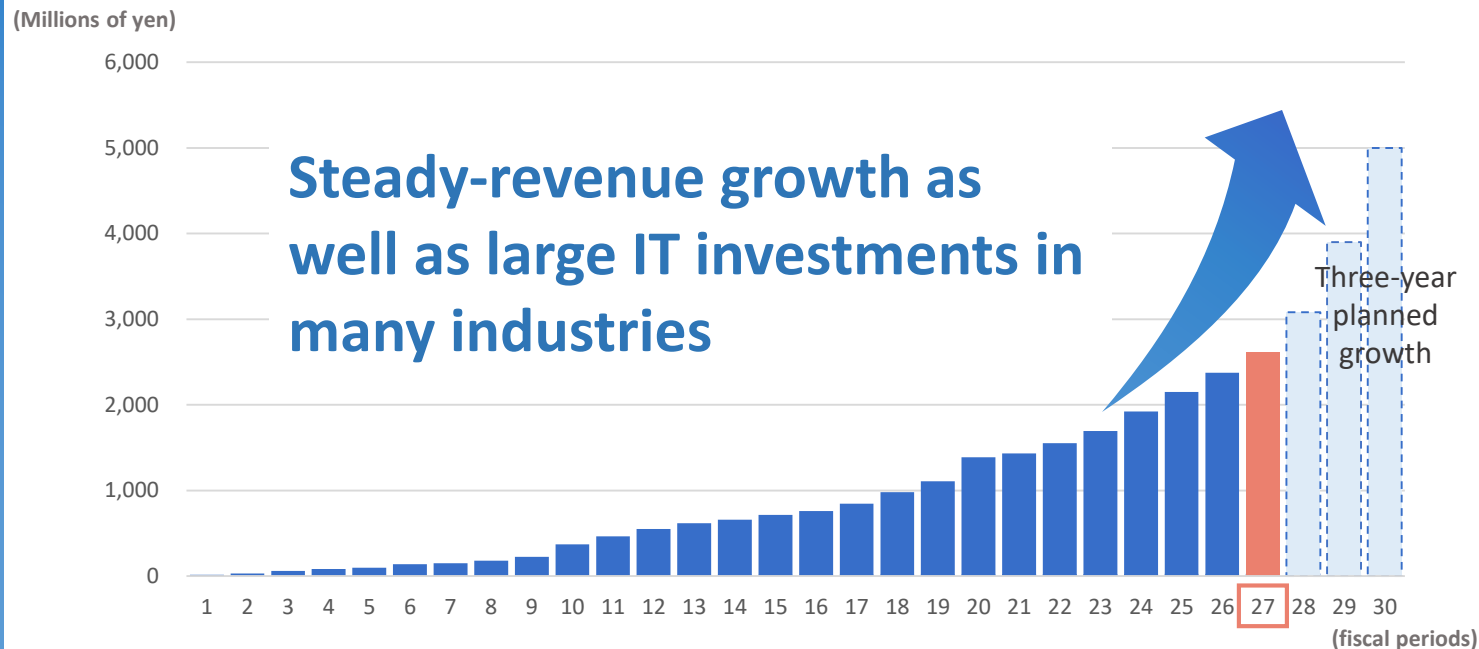
\*1 Based on 2020 internet survey by the Japan Rental Property Management Business Association (survey was January 17 to 31, 2020 and February 14 to 20, 2020)

# Consecutive sales growth for 27 years

since the founding in 1994

## FY6/21 Cancellation Rate: 0.5%

\*Average of monthly cancellation rates



The cancellation rate is the decrease in monthly fees caused by contract cancellations divided by fees in that month from existing contracts.

# Three-year Growth Strategy

(including the sales and earnings plan for FY6/22)

**\*Excerpts from “Results of Operations for the Fiscal Year Ended June 30, 2021” (announced on August 16, 2021)**

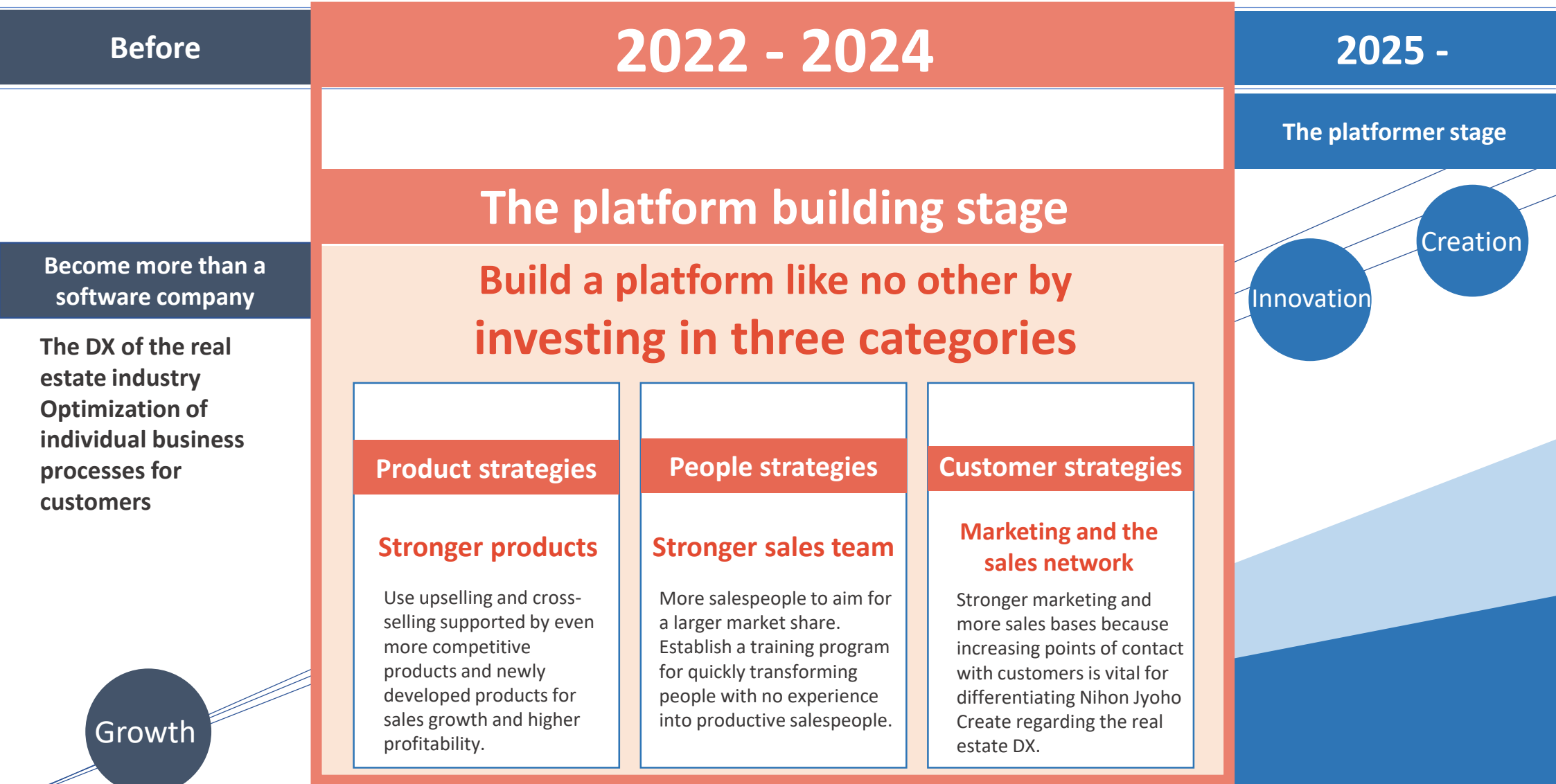
# Targets of the Three-year Growth Strategy

Use investments for building platforms for the following goals:

- (1) Advance to overall optimization of customers’ business processes rather than for only some processes.
- (2) Use upselling and cross-selling backed by a larger customer base and stronger lineup of products and services for the growth of sales and earnings as well as corporate value.
- (3) Step up to a First Section (Prime Market) Tokyo Stock Exchange listing by becoming a company that plays vital roles in Japan’s real estate industry.



# Structure of the Three-year Growth Strategy



**Vision: Dedicated to the happiness of everyone we serve!**

## Three-year Growth Strategy - The First Year -

### Faster growth to build platforms

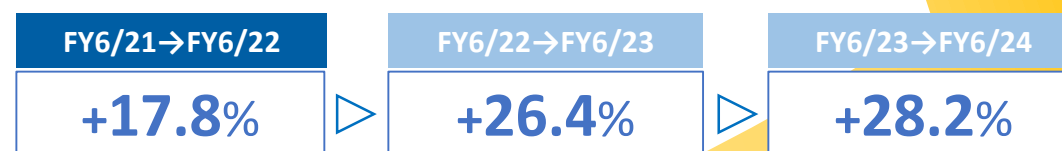
	FY6/21 results	FY6/22 plan	FY6/23 plan	FY6/24 plan
Net sales	¥ <b>2,610</b> million	¥ <b>3,080</b> million	¥ <b>3,900</b> million	¥ <b>5,000</b> million
Gross profit	¥ <b>580</b> million	¥ <b>450</b> million	¥ <b>850</b> million	¥ <b>1,560</b> million
EBITDA	¥ <b>630</b> million	¥ <b>580</b> million	¥ <b>980</b> million	¥ <b>1,700</b> million
Ordinary profit	¥ <b>640</b> million	¥ <b>490</b> million	¥ <b>920</b> million	¥ <b>1,600</b> million

Advance to overall optimization of customers' business processes

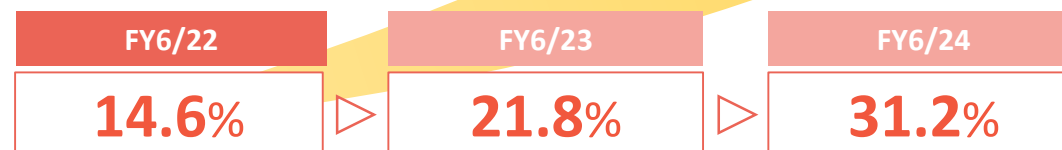
Growth of sales and earnings as well as corporate value

Aiming for a Prime Market listing

#### ■ Plan for increasing sales growth



#### ■ Plan for operating margin growth



## Summary of the Three-year Plan

### External factors – Fast market growth fueled by the digital transformation (DX) in three areas

- (1) Industry DX: New mindsets in the entire real estate industry due to amended laws
- (2) Business process DX: More online activities by real estate companies because of the pandemic
- (3) Consumer DX: Rising pct. of the public who were born and grew up during the internet/information age (digital natives)

#### Passage of digital reform laws

Personal and corporate seals are no longer needed on real estate transaction contracts. Digitalization of contracts is expected to speed up the DX of all real estate transactions. NJC has developed its own e-contract format. This contract was released on November 19, 2021 with the goal of quickly targeting the demand for digital real estate contracts.



#### Changes due to telework demand

Telework demand is moving Chintai Kakumei from on-premises to the cloud. NJC uses cloud and other support to enable real estate companies to shift to online business processes.



#### About 6,000 homebuilding companies start operating every year

There are more than 120,000 homebuilding companies in Japan and 5,000 to 6,000 of companies in this business start operating every year. Some businesses will be started by digital natives, which will speed up the DX. NJC has added a service plan (the Start Value Plan) to serve this customer segment.

新規開業向け  
オールインワンシステム  
**スタート・バリュープラン**  
Start Value Plan

業者間物件 一括取引 流通サービス	WebManagerPro3 スタート・バリュープラン版
賃貸革命 クラウド版	不動産情報 検索サイト
会計運動オプション スタート・バリュープラン版	物件データ運動 スタート・バリュープラン版

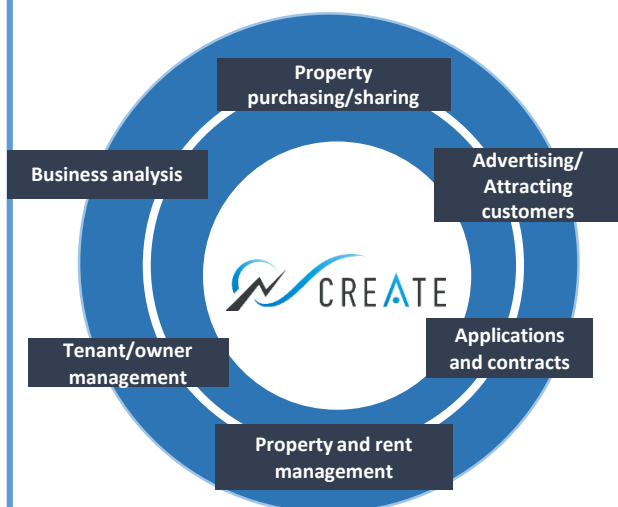
Source:  
Statistics for Homebuilders and Residential Land and Building Transaction Brokers, end of fiscal 2018, Real Estate Transaction Improvement Organization and Number of Residential Land and Building Transaction Companies, Ministry of Land, Infrastructure, Transport and Tourism

## Summary of the Three-year Plan

### NJC plans to grow rapidly along with the real estate industry DX

- (1) Platform strategy: A product lineup covering all real estate business processes
- (2) Investments in people/assets: Up-front expenditures for hiring people, adding sales offices and developing products
- (3) As the real estate DX market emerges, market share growth is the highest priority

#### A platform encompassing all real estate business processes



#### Recruiting and Network Expansion

Continue upgrading sales consulting linked to local markets, a core strength of NJC. The digitalization of Japan's real estate companies will require a nationwide network of physical offices and more sales consultants. Starting in FY6/22, NJC is making big investments for more sales offices and more people.

#### More sales offices and salespeople



#### Growth of the Real Estate DX Market

Real estate industry IT capital expenditures in Japan are only about 10% of these expenditures in the U.S. Productivity is only 40% of the U.S. level. Furthermore, real estate industry productivity in Japan is far below the average for all industries\*1. NJC believes that the real estate DX era is just beginning and plans to make up-front expenditures to capture market share.

\*1 Source: Survey for Economic Analysis of ICT in fiscal 2018, Ministry of Internal Affairs and Communications

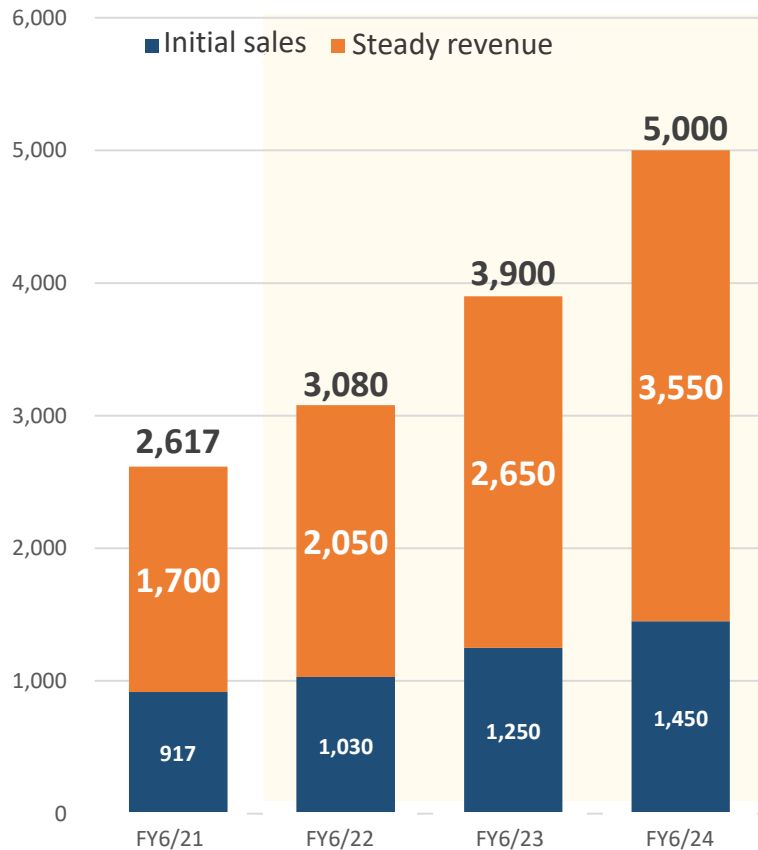
Source: 2015 Analysis of Labor Economics (September 2015), Ministry of Health, Labour and Welfare

# Additional Three-year Plan Information

## ■ Sales plan

More sales from steady revenue due to hiring more people, launching new services and increasing brokerage solution sales

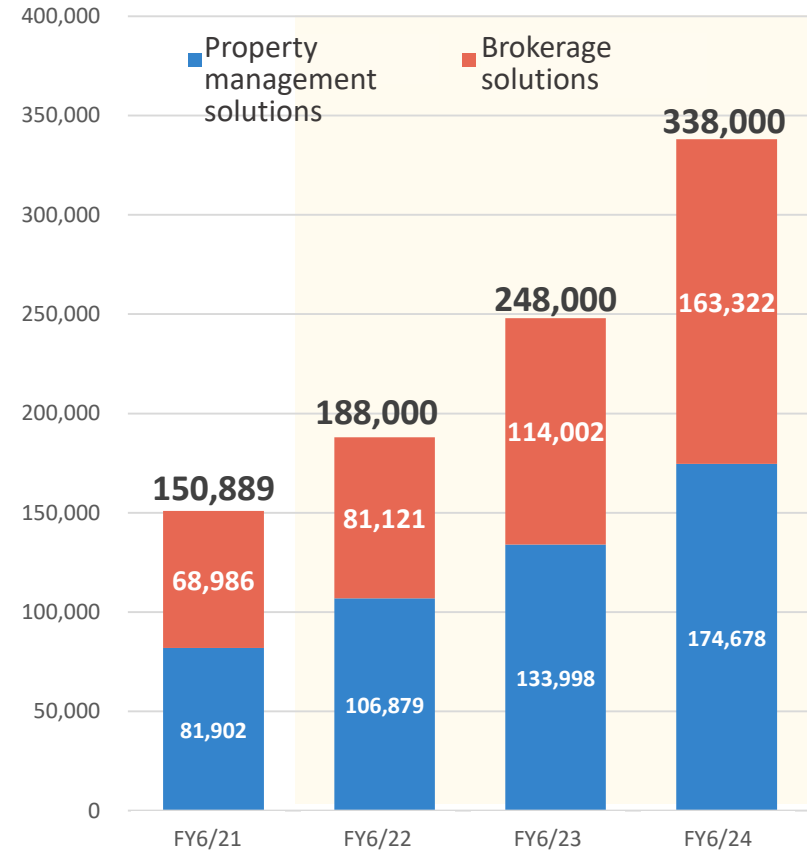
(Millions of yen)



## ■ Monthly recruiting revenue plan

Upselling and cross-selling supported by more marketing activities, sales offices and salespeople

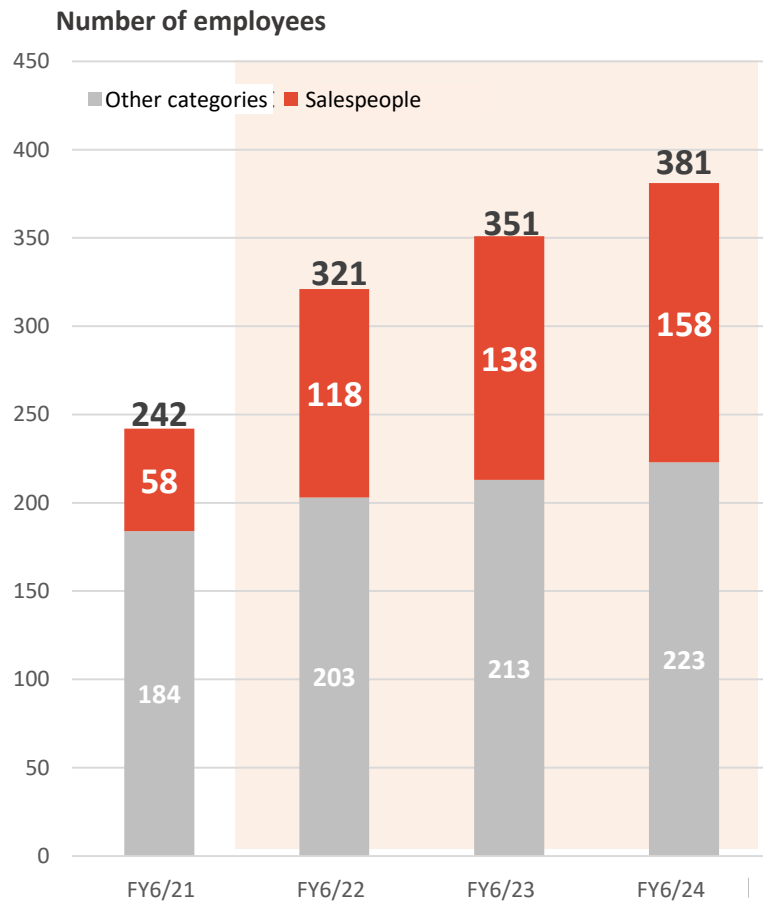
(Thousands of yen)



# Additional Three-year Plan Information

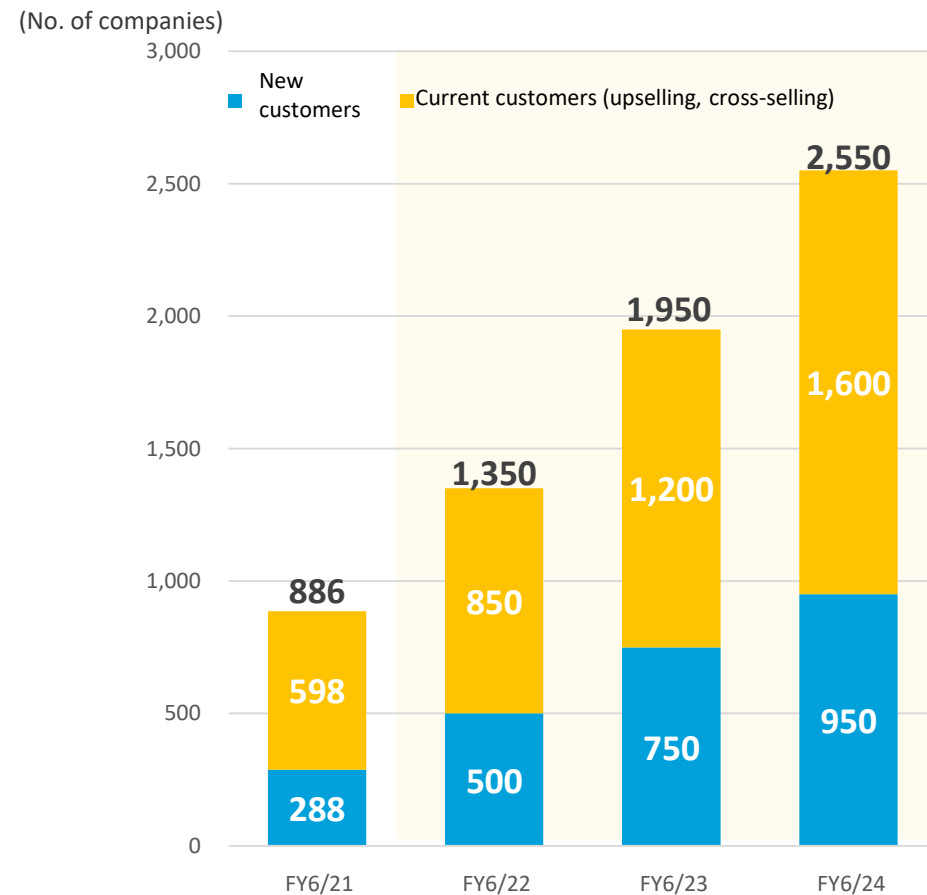
## ■ Employees (plan for salespeople)

Hiring many people, training programs to make new employees productive quickly, and a low attrition rate



## ■ New customers and upselling/cross-selling to current customers

Higher sales to new and current customers due to the growth of the workforce

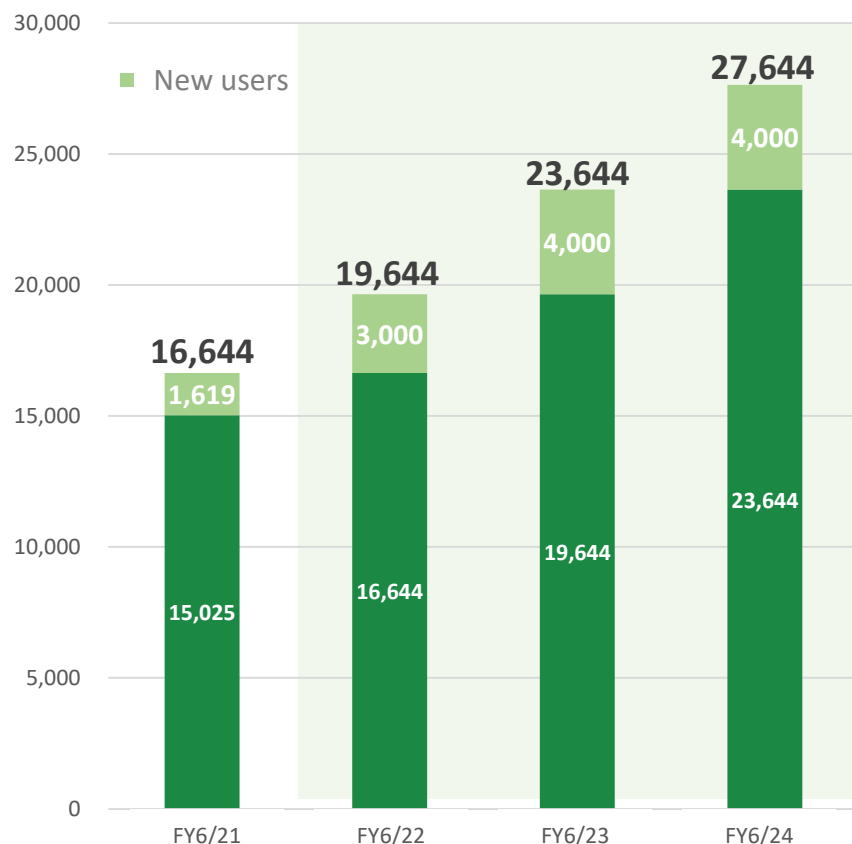


# Additional Three-year Plan Information

## ■ Companies using the free B-to-B Property Listing Platform (Fudosan BB)

Forecast growth due to more salespeople and an effective marketing strategy

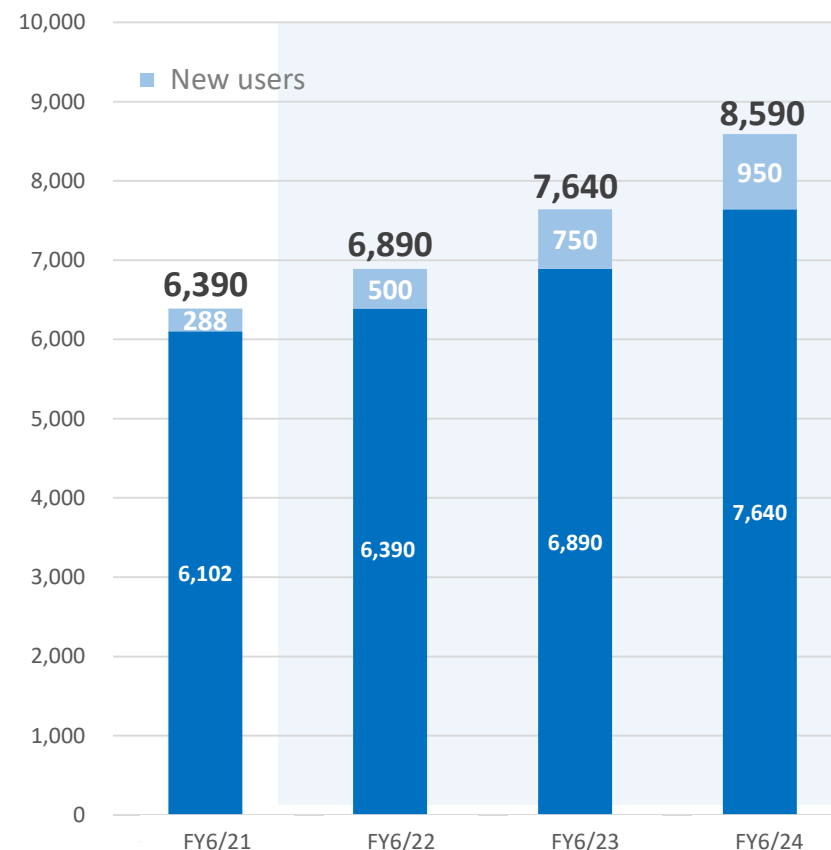
(No. of companies)



## ■ Companies using services provided for a fee

Forecast growth due to a marketing strategy aimed at shifting users from free services to services with a fee

(No. of companies)



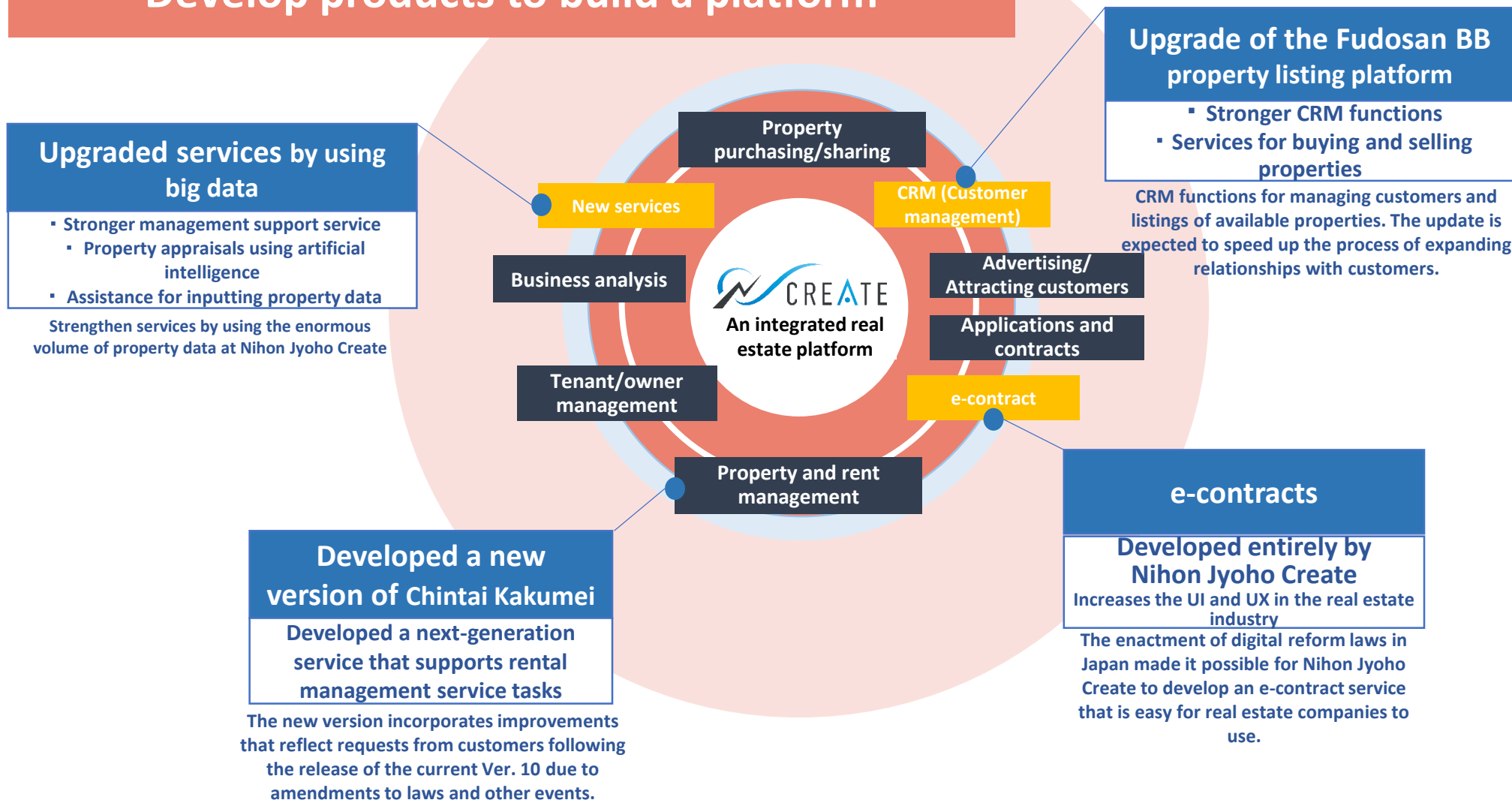
# Explanations of Individual Strategies



# Product Strategy

## Complete linkage from B-to-B property listings to contracts

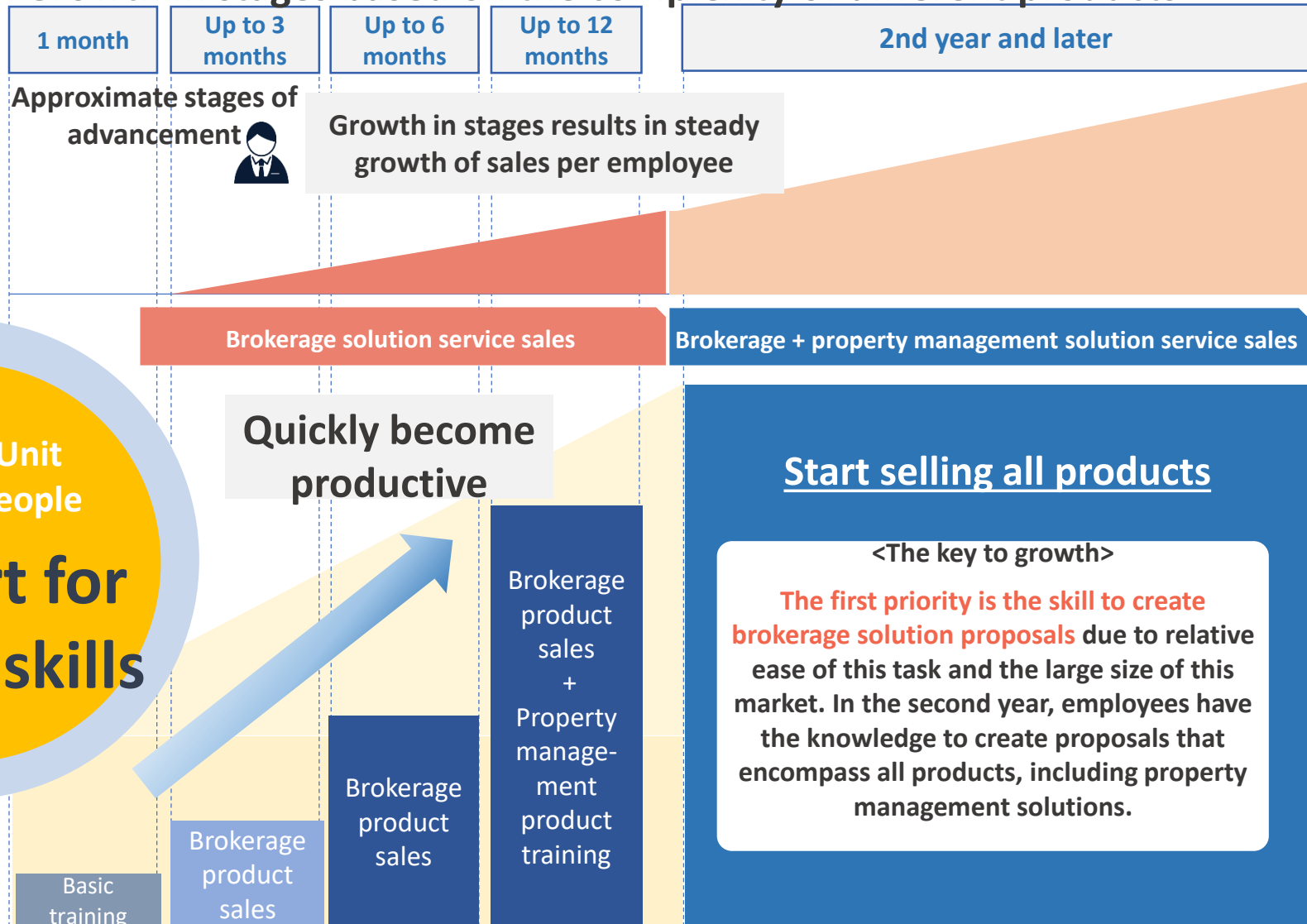
### Develop products to build a platform



# People Strategy

Established a specialized sales training unit to make new employees productive quickly

Growth in stages based on the complexity of different products



# People Strategy

Progress with the real estate industry DX by using consulting-linked sales closely connected to regional needs and characteristics



- Marketing to attract more customers
- Consulting for closing sales contracts

\*Use online and face-to-face consulting to increase customer satisfaction



# Customer Strategy

## More sales offices and salespeople for strategic investments

### Expansion of consulting closely linked to specific areas

More sales offices

11



29

(June 30, 2022)

More salespeople

66



118

(July 31, 2021)

(June 30, 2022)

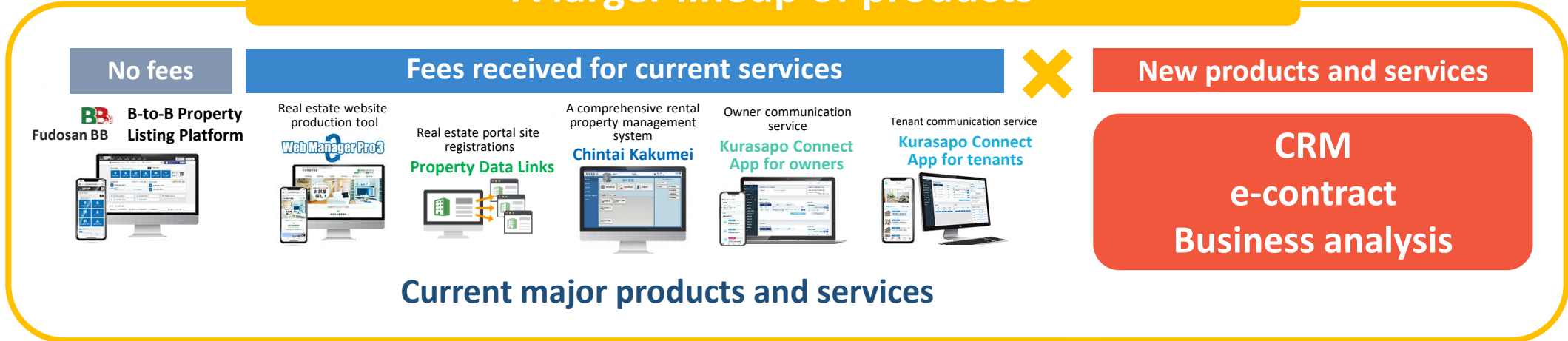
Stronger recruiting and training frameworks

## Established a department solely for these activities

# Customer Strategy

Use an expanded product lineup for cross-selling to current customers and adding new customers for sales growth

**A larger lineup of products**



**Current customers upselling/cross-selling**

**New customers**

**Sales growth**

# A Favorable Business Climate Too

## Acceleration of the DX due to new laws involving digital reforms

### Establishment of a Digital Agency and faster move to fully electronic real estate transactions

Digital technology reform laws passed in May 2021 allow an electronic format (e-contract) for important items and contracts for real estate transactions. Enactment is planned for no later than May 2022.



In Japan’s enormous real estate sector, which has a GDP of about ¥65 trillion, the real estate industry’s labor productivity index is still lower than the average for all industries. The establishment of a Digital Agency and a legal framework for fully electronic real estate transactions are expected to increase the pace of the DX in all markets.

## Law for Proper Management of Rental Housing

### Start of registration system for rental management companies (Enacted on June 15, 2021)

Companies managing at least 200 rental housing units must be registered with the Minister of Land, Infrastructure, Transport and Tourism.

Japan is more closely overseeing rental property management to ensure the proper operation of this business. The even greater need to conduct operations properly is expected to increase demand for support services for property management tasks at rental management companies.

## In Japan, about 5,000 homebuilding companies start operating every year

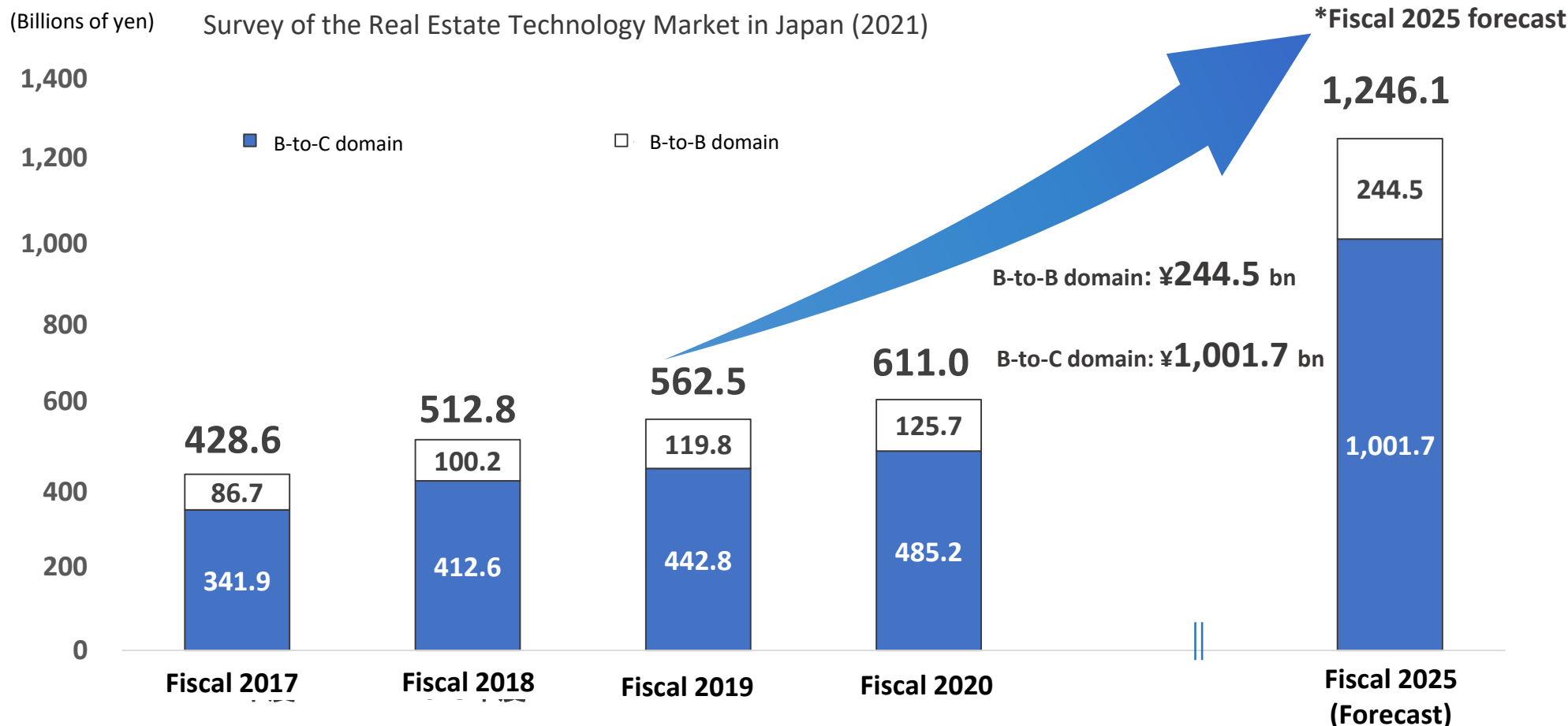
The constantly changing residential construction sector is creating many potential new customers every year.

The establishment of companies by young people who grew up with digital technologies is expected to generate an even higher level of demand for the use of IT systems.

## Japan's Growing Real Estate Technology Industry

Rapid growth of **Japan's real estate technology industry** is expected, which will increase the need for the products of **Nihon Jyoho Create**

Market size: **¥1,246.1 billion**

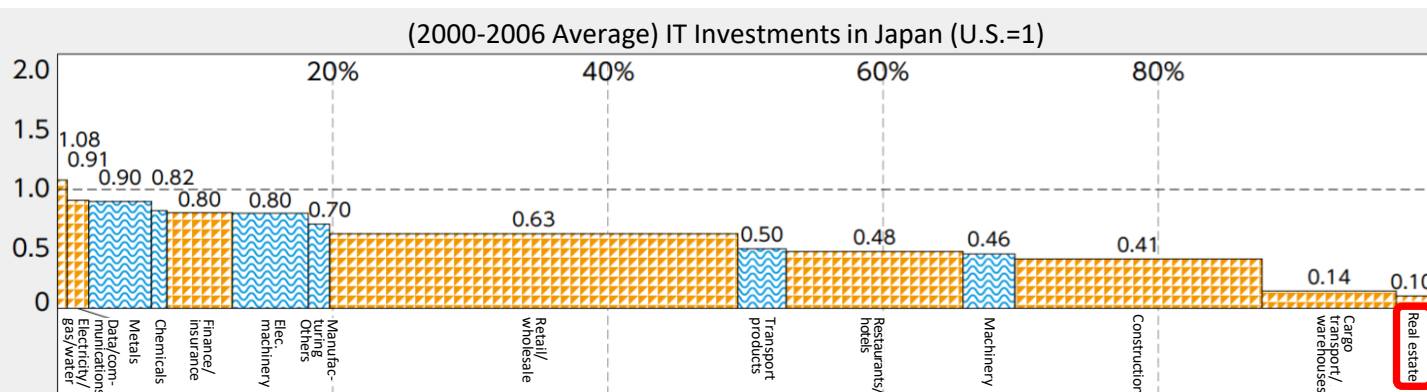


Source: 2021 Japanese Real Estate Technology Market Survey by Yano Research Institute, August 17, 2021

## Issues in Japan's Real Estate Industry

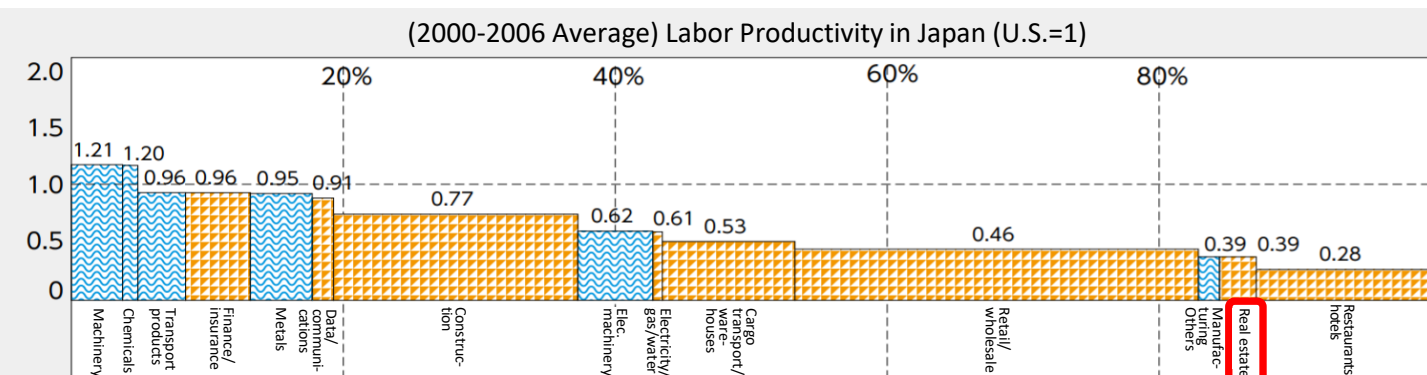
In Japan's real estate industry, IT investments are 10% and labor productivity is 40% of the levels in the U.S.

**IT investments by industry (U.S.=1, 2000-2006 average)**



Source: Ministry of Health, Labour and Welfare using data from the Groningen Growth and Development Center  
 Note: IT investments are based on manhours. Width shows the volume of labor used (working hours x number of workers).

**Labor productivity by industry (U.S.=1, 2000-2006 average)**

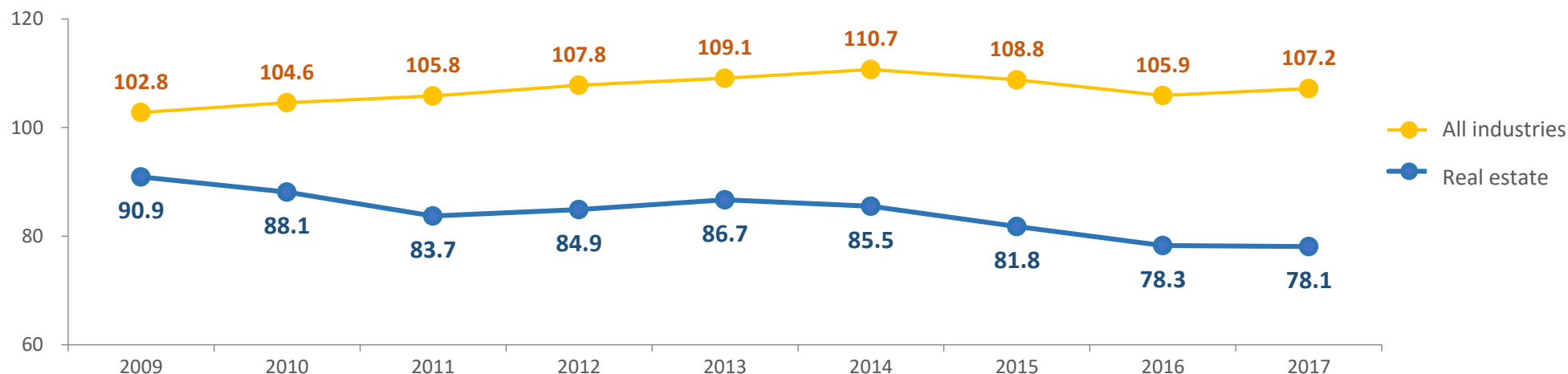


Source: Ministry of Health, Labour and Welfare using data from the Groningen Growth and Development Center  
 Note: Labor productivity are based on manhours. Width shows the volume of labor used (working hours x number of workers).

Source: 2015 Analysis of Labor Economics (September 2015), Ministry of Health, Labour and Welfare



## ■ Labor productivity index

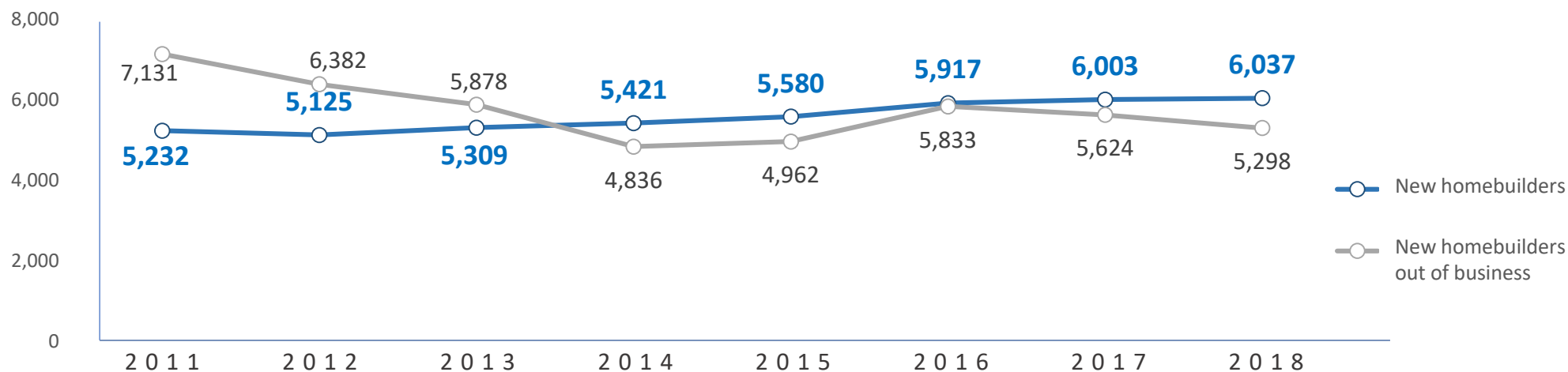


Source: Survey for Economic Analysis of ICT in fiscal 2018 (2019), Ministry of Internal Affairs and Communications

\*1 GDP of Major Industries, Survey for Economic Analysis of ICT in fiscal 2018 (2019), Ministry of Internal Affairs and Communications

\*2 Index (Year 2000=100) based on real GDP/Number of employees (2011 prices) for real labor productivity, Survey for Economic Analysis of ICT in fiscal 2018 (2019), Ministry of Internal Affairs and Communications

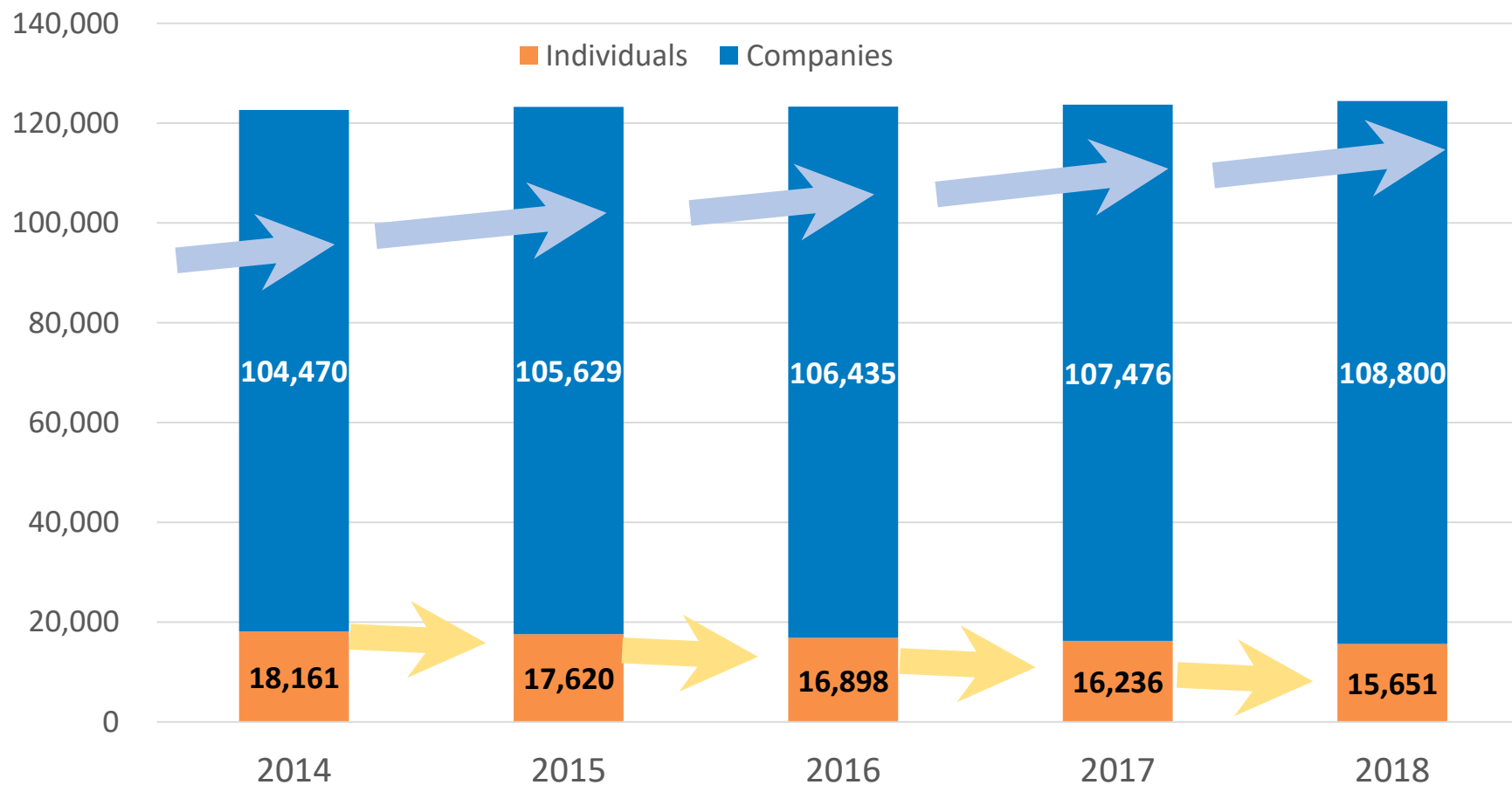
## ■ Change in number of homebuilders in Japan



Source: Statistics for Homebuilders and Residential Land and Building Transaction Brokers, end of fiscal 2018, Real Estate Transaction Improvement Organization and Number of Residential Land and Building Transaction Companies, Ministry of Land, Infrastructure, Transport and Tourism

## Homebuilders in Japan

The number of homebuilders has increased slightly, **remaining generally steady at about 120,000**  
The number of companies is increasing and **the number of operations by individuals is decreasing**

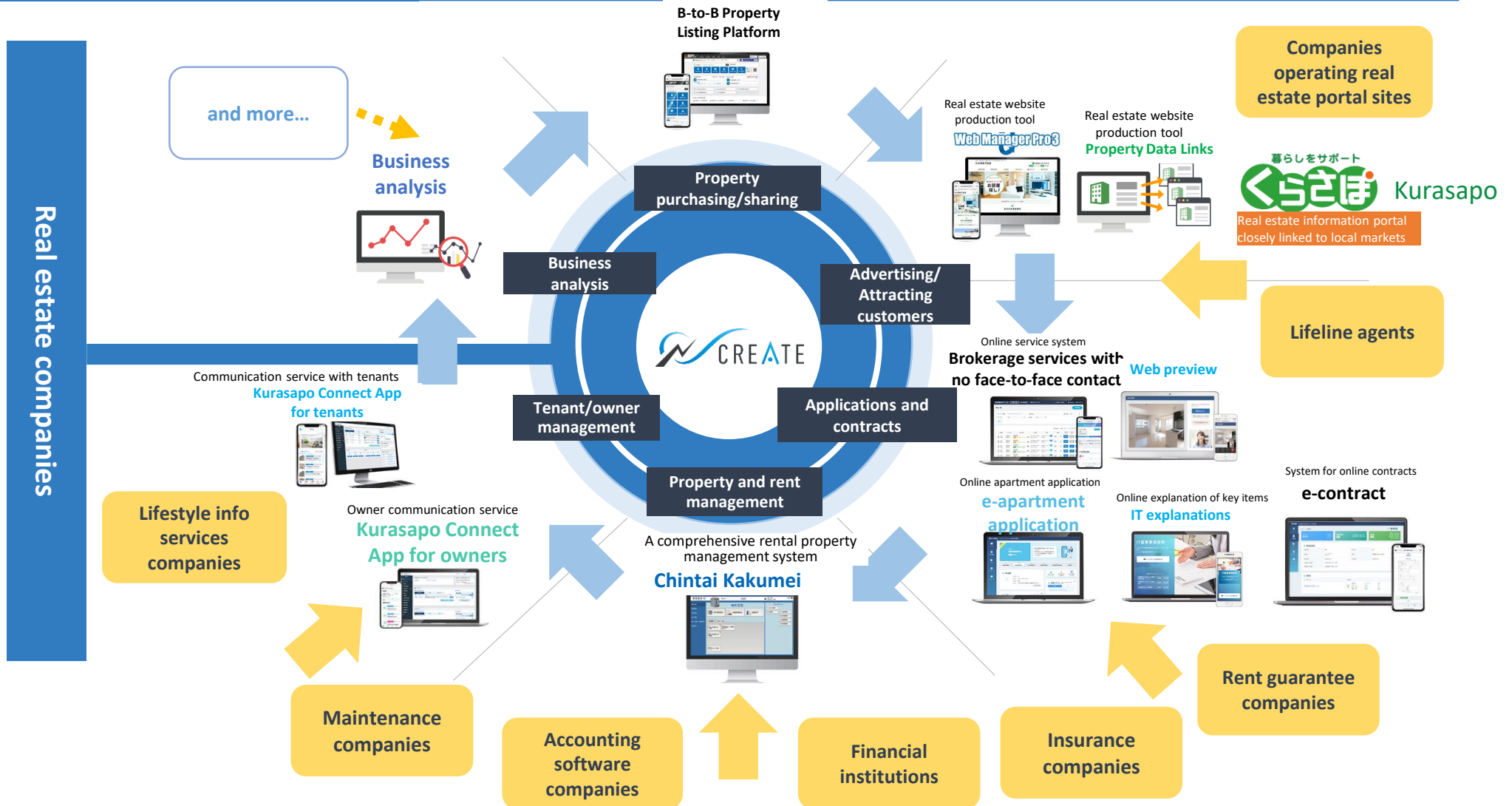


Source: Statistics for Homebuilders and Residential Land and Building Transaction Brokers, end of fiscal 2018,  
Real Estate Transaction Improvement Organization

# Faster Growth of the Platform's Value

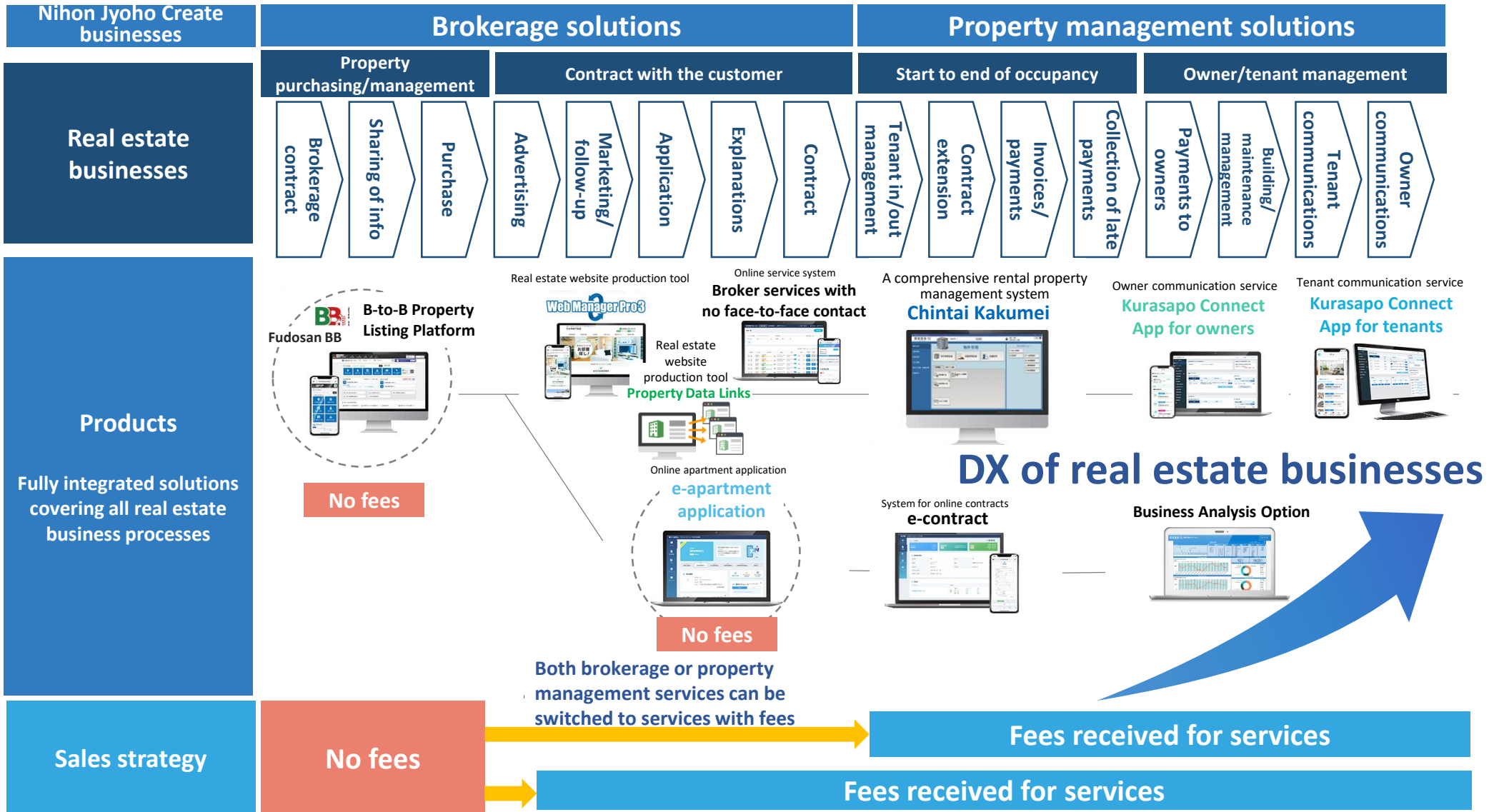
**Platform**  
Full coverage of real estate  
business processes

Stepping up the pace of growth of a platform with substantial added value by forging alliances with a variety of companies associated with the real estate industry



# Use of Freemiums for Cross-selling and Upselling

The Fudosan BB property listing platform for real estate brokers, which is offered at no charge, is used to attract customers and provide an entry point for cross-selling and upselling activities.

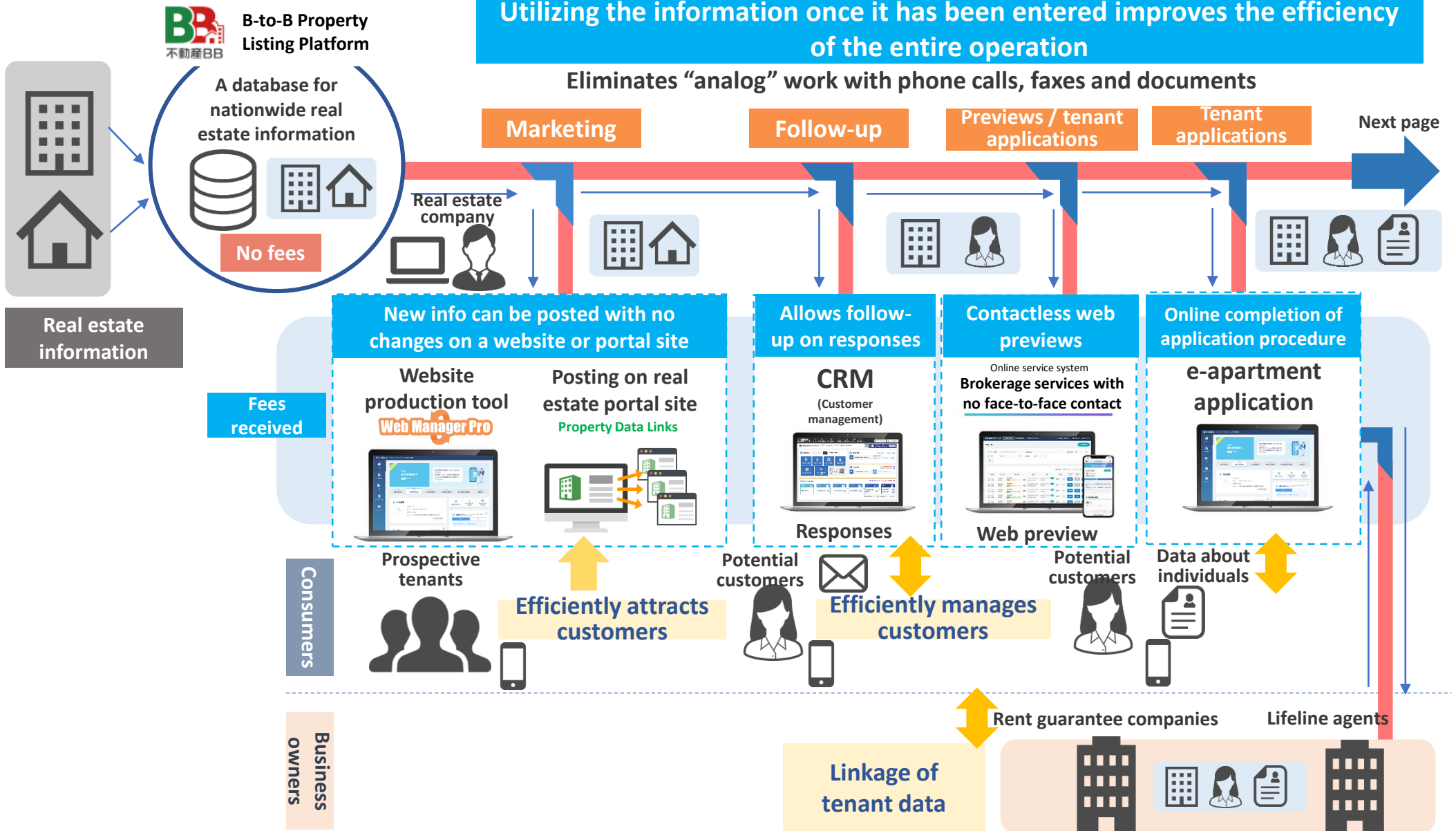


# Use of Freemiums for Cross-selling and Upselling

Seamless data linkage for efficiency of all real estate business processes

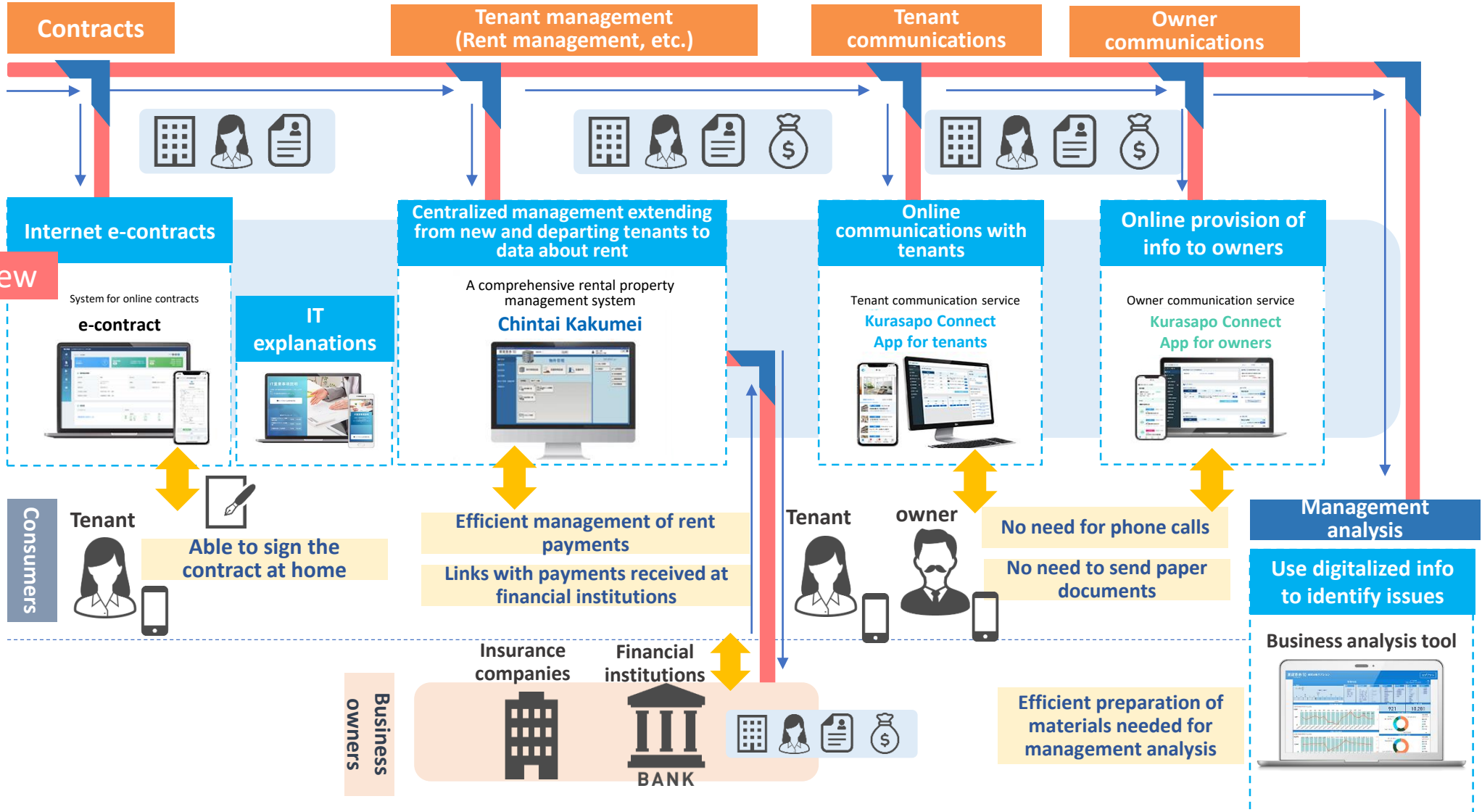
Utilizing the information once it has been entered improves the efficiency of the entire operation

Eliminates "analog" work with phone calls, faxes and documents



# Use of Freemiums for Cross-selling and Upselling

Data encompasses every step from purchasing properties to managing new and departing tenants



## Products and Services

Internet platform for B-to-B sharing of property listings

# Fudosan BB

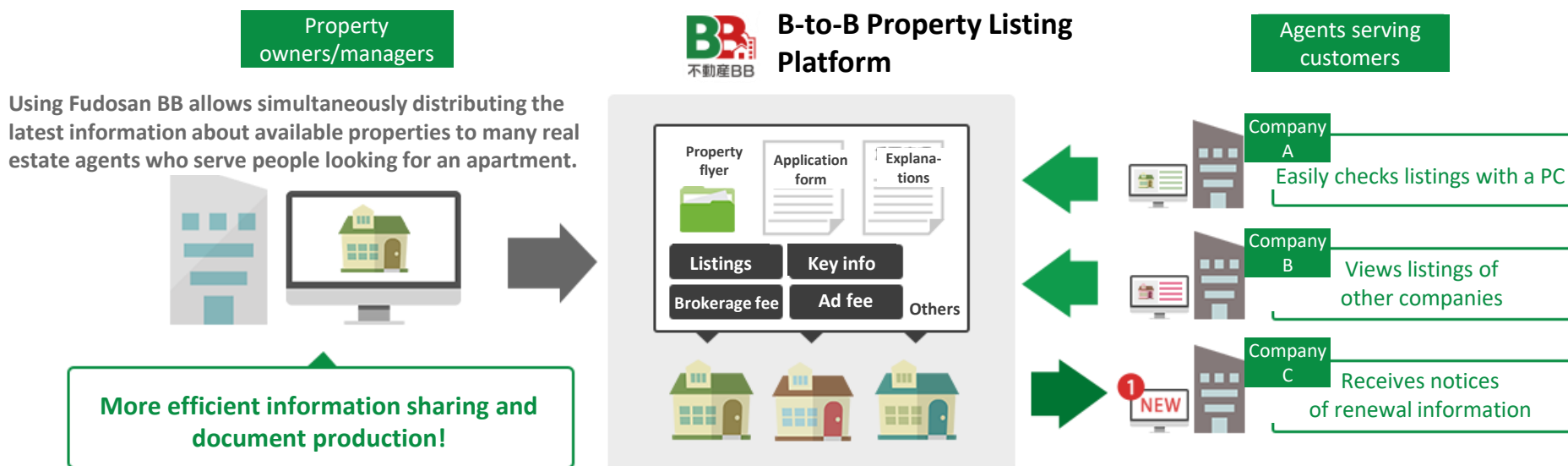


### B-to-B Property Listing Platform



A **free** internet service for the **real-time sharing** among real estate agents **of their listings**

Fudosan BB allows real estate agents to view listings any time of the day, resulting in the more efficient sharing of information among property management companies and real estate brokers



## Products and Services

### Real estate website production tool

# WebManagerPro Series

WebManagerPro was created specifically to produce real estate websites designed to attract more customers. Many templates are available for the simple production of original websites.



- Compatible with mobile phones
- Responsive web design template
- Entry form optimization (EFO)
- Long tail optimization (LTO)
- SSL for secure internet communications

#### ■ Drag-and-drop website production

This format allows even real estate companies with no website production experience to create a website with ease. Using the management screen allows performing tasks that would normally require a website production company.



#### ■ Allows simultaneous PC/Smartphone editing

PC and smartphone editing at the same time cuts the time needed for website production. Websites easy to view on a smartphone are also useful for searches.



#### ■ Linkage with NJC's real estate system makes businesses tasks more efficient

Linkage with Chintai Kakumei and Fudosan BB allows incorporating registered properties in the website. Efficiency is higher due to elimination of the need for manual input of data.

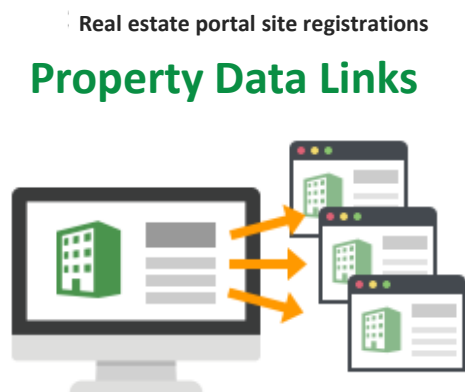




## Products and Services

### Real estate portal site registrations

### Property Data Links



New property information entries are automatically incorporated in the portal site



### Property Data Links

This service can post property information registered on Fudosan BB, Chintai Kakumei and Baibai Kakumei simultaneously on many types of portal sites. Using this service saves time and prevents input errors because there is no need to use the input forms of each site.

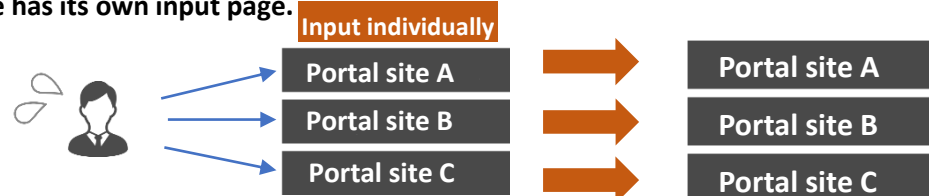
With Property Data Links

Linkage with Fudosan BB and Chintai Kakumei allows posting real estate information on many portal sites simultaneously with no need for the re-entry of data. Time for inputting data is reduced.



Conventional method

Normally, data about a property must be input individually because every portal site has its own input page.



## Products and Services

Online service system

Contactless brokerage services

Use **contactless brokerage services** to attract customers  
**Fully integrated: Web preview - e-apartment application - IT explanations**



Web sales activities



Web preview



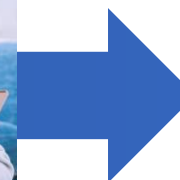
e-apartment application



IT explanations

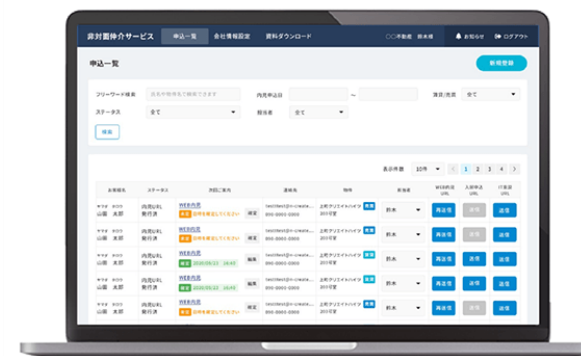


e-contract



An online customer interaction service for fully contactless activities for sales, previews, tenant applications and explanation of key items.

**Online communication tools** for previews and explanation of key items are also products developed by **Nihon Jyoho Create**. This ensures easy and efficient communications with customers with no need to switch to a different tool.

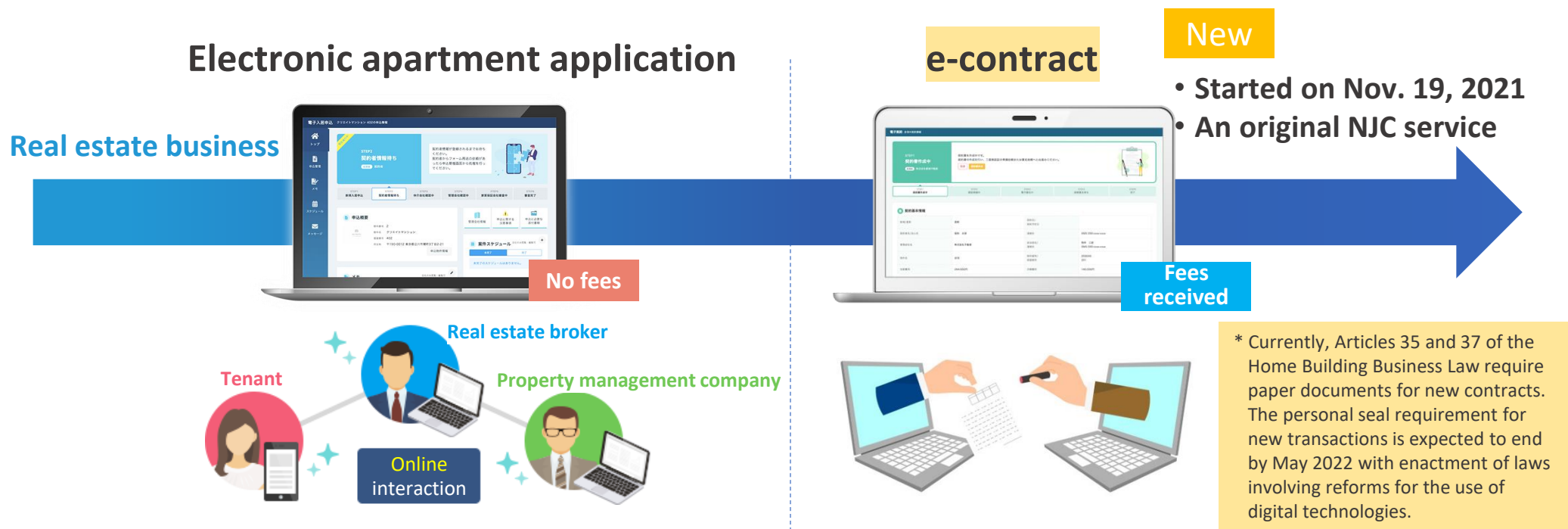


## Products and Services

Online service system

Electronic apartment application/e-contract

Combining e-applications with the new e-contract service further raises the speed of the digitalization of real estate transactions



Electronic apartment applications are a function provided to property management companies using Fudosan BB (no fee) in order to perform every step of the application process online. No need for paper applications, faxes and phone calls. These e-applications reduce tasks and are ideal for telework.

Customers pay a fee for the online signing of agreements for the renewal of a real estate lease or a rented parking space. This online service improves the ease and safety of some procedures for rental agreements that previously required face-to-face meetings and sending documents by postal mail.

## Products and Services

A comprehensive rental property management system

# Chintai Kakumei 10

Centralizes every property management task from tenant changes to rent

# 賃貸革命10

Chintai Kakumei



Survey  
Based on perception of rental management systems of individuals nationwide between the ages of 20 and 59.  
Date: May 2018  
Method: Internet questionnaire

Centralized management of rent invoicing, collection and payment processing significantly reduces data processing errors and lost data.

Efficient rent management raises the value of companies



Chintai Kakumei facilitates the centralized management of information about properties, owners and tenants. The scale of this information makes it possible to use Chintai Kakumei for many other tasks. Examples include property management and the management of leases, rent payments, tenant inquiries, repairs and maintenance, and other items. Eliminating wasted time and reducing mistakes helps companies become a more trusted partner for owners and customers.

## Products and Services

### Communication Service

# Kurasapo Connect

A smartphone app with a link to Chintai Kakumei for simple communications with tenants and owners

Tenant communication service

### Kurasapo Connect App for tenants



This tenant app allows tenants to use a smartphone to submit questions about their residences, receive notices, apply for lease renewals or terminations, confirm date and amount of rent payment, and perform other activities.

Owner communication service

### Kurasapo Connect App for owners

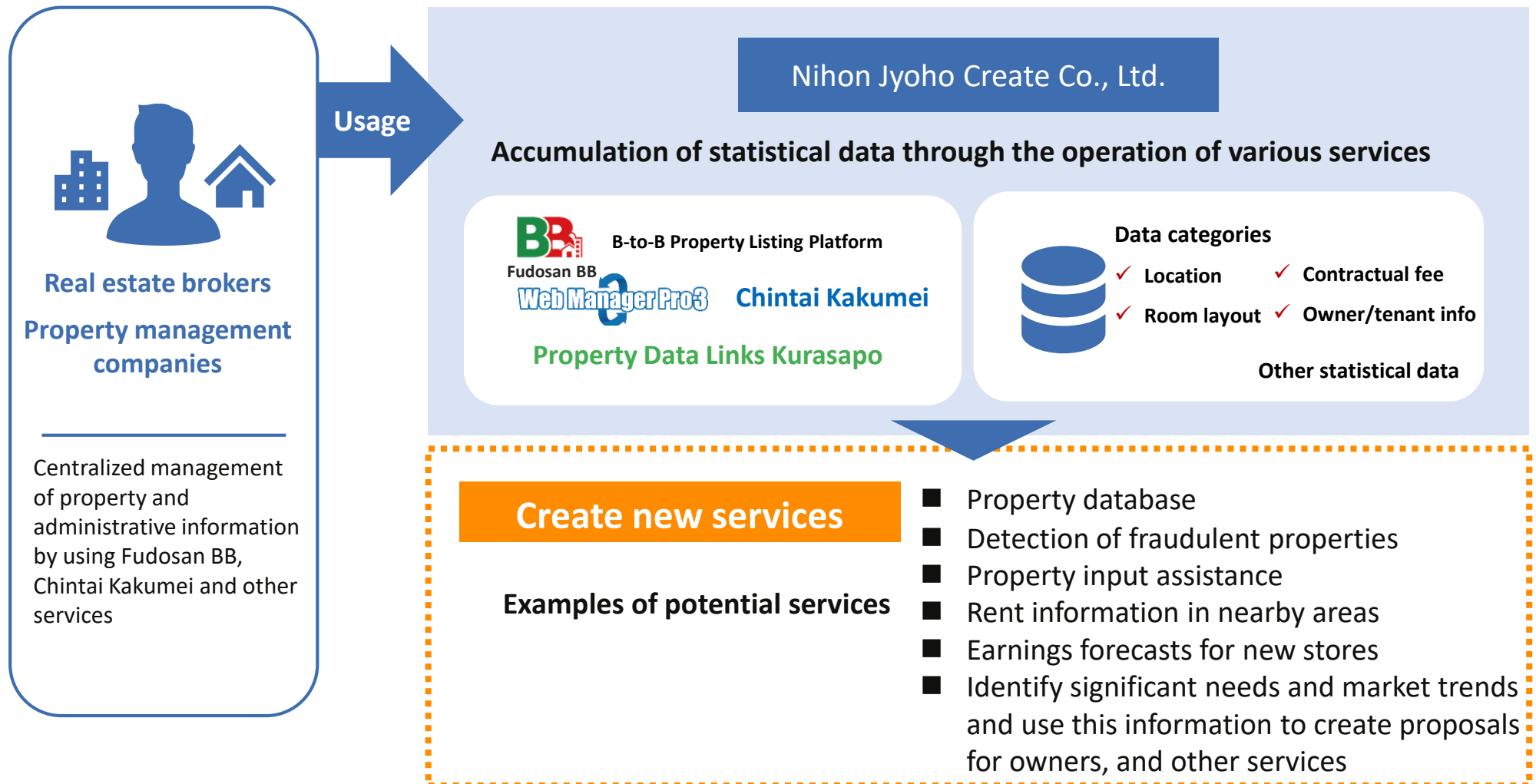


This app is used by a property management company to send owners payment remittance notices, income and expense reports, and reports following visits to buildings. Communications also include notices sent to owners and questions and other messages from owners to property management companies.

## New Services that Use Big Data

Use of Fudosan BB, Chintai Kakumei and other services to **accumulate an enormous volume of real estate information**

Plan to **use big data** for providing services with new added value



# Competitive Superiority

**Market share growth backed by superior products, sales and support capabilities, accomplishments, and experience**

1	2	3	4	5
<b>Products encompass all steps</b>	<b>A large sales network</b>	<b>Support</b>	<b>Market share</b>	<b>Expertise acquired over 27 years</b>

A broad lineup of products for solving many issues for customers, resulting in one-stop solutions extending from brokerage to property management tasks

Consulting closely linked to regional needs and characteristics for real estate companies nationwide; earns customers' trust by providing proposals as well as valuable support

A nationwide IT system advisory network to assist customers after starting to use Nihon Jyoho Create's service; support includes remote assistance by Nihon Jyoho Create's own call center and other forms of support

The rental management system market has high barriers to new entrants because of the complexity of rental management tasks. Nihon Jyoho Create has a large share of this market. Furthermore, up-to-date property data is used for new analysis services.

As the speed of the DX increases, regional rules are emerging in the real estate sector and each company uses its own method for digitalization. With 27 years of experience, Nihon Jyoho Create has the knowledge needed to implement the DX in the best possible manner for the real estate industry.

## IR E-mail Service

Nihon Jyoho Create has an e-mail IR message service to maintain strong lines of communication with investors.

Simply register your e-mail address to receive the latest IR news.

- Timely disclosure announcements
- Public relations announcements

[Register now](#)

\*Link to the IR mail registration screen of the Nihon Jyoho Create IR website



### E-mail IR Message Service Registration

We will provide investors with our IR information by e-mail.

[E-mail IR Message Service Registration](#)



# Examples of Feedback from Customers

## Information in the Nihon Jyoho Create corporate website about how companies are using its services.

### Please read the feedback of customers.

[See examples now](#)

\* Link to the Nihon Jyoho Create corporate website

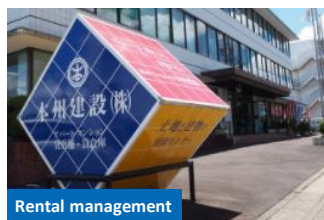


Rental management

Nara prefecture  
**Kato Home Co., Ltd.**

One person can perform the supervisory tasks that previously required several people.

Chintai Kakumei



Rental management

Aichi prefecture  
**Honshu Kensetsu Inc.**

Confirmations of payments received, which required a lot of work by two people, is done by one person with no overtime.

Chintai Kakumei WebManagerPro



Rental management

Toyama prefecture  
**FP Fudosan Center Co., Ltd.**

We reduced the number of people and time needed for office work. Nihon Jyoho Create helped with brokerage operations in addition to property management tasks.

Chintai Kakumei WebManagerPro



Rental management

Osaka prefecture  
**Soveric Corporation**

Our work was much faster and there were no errors after we started using Chintai Kakumei.

Chintai Kakumei

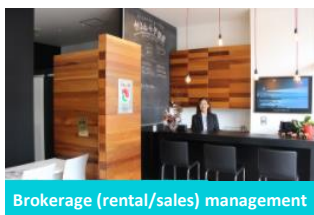


Rental management

Saitama prefecture  
**Sansho Intelligent Co., Ltd.**

After switching to Chintai Kakumei, we were amazed at Nihon Jyoho Create's outstanding follow-up support.

Chintai Kakumei



Brokerage (rental/sales) management

Fukuoka prefecture  
**Reliance Inc.**

Management tasks were much easier after we switched from WebManagerPro2 to WebManagerPro 3.

Chintai Kakumei WebManagerPro



Brokerage (rental/sales) management

Ishikawa prefecture  
**Miyoshi Kaihatsu Co., Ltd.**

We stopped data management using personal data and characteristics. We are also focusing on using the internet to attract customers.

Chintai Kakumei WebManagerPro



Rental management

Okayama prefecture  
**Fukushima Takken Co., Ltd.**

We started using Nihon Jyoho Create products to stop relying solely on real estate portal sites.

Chintai Kakumei WebManagerPro



Brokerage (rental/sales) management

Toyama prefecture  
**Aozora Fudosan Co., Ltd.**

Calls from prospective customers doubled after we started using WebManagerPro3.

WebManagerPro Fudo-san BB

Many more messages from customers are on the Nihon Jyoho Create website

## Sustainability (SDGs)

The corporate website includes information about activities that contribute to accomplishing the SDGs. We use our real estate support services for activities with our stakeholders for the creation of a sustainable society.

[See SDG information now](#)

\* Link to the Nihon Jyoho Create SDG page

### Social progress due to the real estate industry digital transformation

We are building a stronger foundation for the real estate industry by creating a real estate industry data infrastructure using IT and by incorporating the digital transformation in all aspects of this industry. Our activities are also playing a role in social progress by eliminating variations in information accessibility in different areas in order to ensure that people everywhere in Japan have equal access to real estate data.



## SUSTAINABLE DEVELOPMENT GOALS



#### Examples of SDG activities

- Digitalization of real estate data in Japan
- Online real estate transactions
- One-stop solutions for real estate business processes
- Operation of a real estate portal site

# Precautions Regarding This Presentation

## Precautions Concerning Forward-looking Statements

- This presentation contains forecasts and other forward-looking statements based on information that is currently available. Nihon Jyoho Create Co., Ltd. (NJC) makes no guarantees of assurance for the outcome of these forecasts as they include inherent uncertainties and risks. Actual performance, therefore, may differ from these forecasts due to changes in the business environment and other factors.
- Factors that could have an impact on actual performance may include changes in the economies of Japan and other countries, industries associated with NJC's business operations or other items.
- Information in this presentation that is not related to NJC is based on information available to the public and other sources. NJC has not verified in any way the accuracy or suitability of this information and makes no guarantees about the accuracy or suitability of this information.
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- This presentation does not constitute a solicitation for the purchase or sale of securities of any type, even if there are statements to this effect. Furthermore, this presentation cannot be used as the basis for a contract or obligation of any type.
- Investors should rely on their judgment after reading without fail the prospectus (including amendments) on the new share issue and application for share sale prepared by NJC.

Dedicated to the happiness of  
everyone we serve!



**Nihon Jyoho Create Co., Ltd.**