

**Consolidated Financial Results for the First Quarter
of the Fiscal Year Ending June 30, 2023
(Three Months Ended September 30, 2022)**



[Japanese GAAP]

November 14, 2022

Company name: Nihon Jyoho Create Co., Ltd. Listing: Tokyo Stock Exchange
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 Scheduled date of filing of Quarterly Report: November 14, 2022
 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 First Quarter of the Fiscal Year Ending June 30, 2023
(July 1, 2022 to September 30, 2022)**

(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	%
Three months ended Sep. 30, 2022	853	-	45	-	96	-	52	-
Three months ended Sep. 30, 2021	-	-	-	-	-	-	-	-

Note: Comprehensive income (millions of yen) Three months ended Sep. 30, 2022: 52 (-%)
 Three months ended Sep. 30, 2021: - (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Sep. 30, 2022	3.66	3.61
Three months ended Sep. 30, 2021	-	-

Note: Nihon Jyoho Create has prepared consolidated financial statements from the previous fiscal year. Consequently, figures and year-on-year changes for the three months ended Sep. 30, 2021 are not presented.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sep. 30, 2022	4,736	3,123	65.9
As of Jun. 30, 2022	5,035	3,140	62.4

Reference: Shareholders' equity (millions of yen) As of Sep. 30, 2022: 3,123 As of Jun. 30, 2022: 3,140

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2022	-	0.00	-	5.00	5.00
Fiscal year ending Jun. 30, 2023	-	-	-	-	-
Fiscal year ending Jun. 30, 2023 (forecast)	-	0.00	-	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, 2023 (July 1, 2022 to June 30, 2023)

(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	4,200	37.5	850	69.7	903	67.8	593	109.2	41.69

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

* Percentages for year-on-year changes were calculated based on sales and earnings in the previous fiscal year. However, Nihon Jyoho Create has prepared consolidated financial statements from the previous fiscal year and the assumed acquisition date of March 31, 2022 used for accounting purposes is not more than three months from the end of the fiscal year. Consequently, consolidated subsidiary is included only in the balance sheet and is not included in sales and earnings.

*** 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 Sep. 30, 2022:	14,280,440 shares	As of Jun. 30, 2022:	14,266,440 shares
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2) Number of treasury shares as of the end of the period

As of Sep. 30, 2022:	48,571 shares	As of Jun. 30, 2022:	48,571 shares
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3) Average number of outstanding shares during the period

Three months ended Sep. 30, 2022:	14,219,223 shares	Three months ended Sep. 30, 2021:	14,230,797 shares
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* 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 Nihon Jyoho Create 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	4
2. Quarterly Consolidated Financial Statements and Notes	5
(1) Quarterly Consolidated Balance Sheet	5
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	7
(3) Notes to Quarterly Consolidated Financial Statements	9
Going Concern Assumption	9
Significant Changes in Shareholders' Equity	9
Application of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements	9

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

Forward-looking statements stated herein are based on the estimates and assumptions of Nihon Jyoho Create as of September 30, 2022.

The Nihon Jyoho Create Group has prepared consolidated financial statements from the previous fiscal year. Consequently, year-on-year changes for the first quarter are not presented.

Economic and social activity in Japan began to return to normal during the first quarter as restrictions were reduced due to progress with vaccinations and pandemic safety measures. Global monetary tightening and economic downturns in other countries may have a negative effect on the Japanese economy. In addition, the effects of inflation, supply restrictions, financial market volatility and other events must be monitored closely.

In the market for real estate support services, including the SaaS-type cloud services and other services that we provide, opportunities involving the digital transformation of the entire real estate industry are increasing. One example is the May 2022 enactment of the amended Building Lots and Building Transaction Business Act. In addition, demand for IT capital expenditures is growing for the increasing use of telework for safety during the pandemic and improving productivity. As a result, the business climate is remaining favorable for the Group's operations.

We are implementing various strategies to build optimum platforms for the real estate industry and achieve the goals of our Three-Year Plan Growth Strategy.

*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, 2022 posted on our IR website.

Our basic strategy of the Three-Year Business Plan 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 significant feature of our service is that it offers integrated lineup of services that cover all operations of the real estate companies. Selection of optimum combinations of services offers additional benefits. In addition, we have been proactively proposing solutions to new customers and upsells and cross-sells to existing customers since many services have a billing system that matches the growth of customers.

The current fiscal year is the second year of the Three-Year Business Plan. One key initiative of this fiscal year is to use the up-front investments in three categories (double the number of sales consultants, open more sales offices, M&A) during the previous fiscal year for more progress with various business operations. During the first quarter, there were numerous activities in all three categories for earning returns on these investments and for the growth of sales and earnings. To make newly hired sales consultants productive quickly, activities centered on a department specializing in training continued in order to upgrade the sales skills of these people. In addition, inside sales and customer success teams were established for follow-up support of sales activities. These teams create stronger ties with potential customers and raise the likelihood of receiving an order. More time than initially planned has been required for training newly hired sales consultants because of delays with starting work and the large number of young people who were hired. However, new sales consultants are slowly beginning to contribute to the receipt of orders as progress continues with giving these people the skills needed to play a role in achieving sales and earnings targets in the current and next fiscal years.

To capture synergies with RealNetPro Co., Ltd., which joined the Nihon Jyoho Create Group in the previous fiscal year, work is continuing on the development of data linkage for various products. During the first quarter, information about the customers of the two companies was shared, the companies gave each other information about business opportunities, and there were sales activities based on regional strategies. Many customers say they have high expectations for the benefits of this management integration as well as for quickly establishing data links among different products. These links will be used to strengthen upselling and cross-selling activities. Activities will continue with the goals of faster growth of sales and earnings and the greatest possible synergies.

Creating platforms is the central theme of our medium-term vision. We continued activities for forging alliances with many companies in order to accomplish this vision. We established data linkage agreements with residential rent guarantee companies Plaza Guarantee Co., Ltd. and Teppeki co., ltd. There are also new data linkage agreements with Hatch Work Co., Ltd., which operates an online management system for parking facilities where spaces are rented by the month, and Spacely, Inc., a provider of virtual reality cloud software. These alliances enlarge the Nihon Jyoho Create platform and are expected to enable Nihon Jyoho Create and its partner companies to play an even greater role in the digital transformation of the real estate industry.

The impact of the COVID-19 pandemic on our financial results was not significant. Segment information is omitted because the Nihon Jyoho Create Group has only a single business segment.

Solutions for Brokers

In the Solutions for Brokers segment, there were many sales activities for services that solve issues involving real estate brokerage operations. Examples of these services include WebManagerPro, which helps companies use their websites to attract customers, Property Data Links, which helps real estate portal sites attract customers, and the e-Contract Service for real estate contracts. In addition, based on our freemium strategy (see note), there were many activities for the conversion of customers using Fudosan BB, a free B-to-B property listing platform to services for the secondary use of data. The receipt of monthly fees from customers using the ReaPro B-to-B property listing service of new subsidiary RealNetPro also contributed to the performance of this category.

The sales of this category was 359 million yen.

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

For Chintai Kakumei, this category's primary service, there were many activities for sales to new customers, upgrades of services used by existing customers and additions of options. Despite these activities, first quarter performance was somewhat below expectations in part because of the delay of expected sales to the second quarter and afterward due to IT investment subsidies. Income from monthly utilization fees remained firm because the cancelation rate is consistently low.

The sales of this category was 485 million yen.

* In addition to above sales of 844 million yen from the Solutions for Brokers and the Solutions for Property Management, sales of 8 million yen were recorded from other activities. Nihon Jyoho Create has prepared consolidated financial statements from the previous fiscal year. Consequently, there are no prior-year comparisons for results of operations for the three months ended September 30, 2022.

(2) Explanation of Financial Position

1) Assets

Total assets at the end of the first quarter of the current fiscal year decreased by 299 million yen from the end of the previous fiscal year to 4,736 million yen. The balance of current assets decreased by 125 million yen from the end of the previous fiscal year to 1,838 million yen. The balance of non-current assets decreased by 173 million yen from the end of the previous fiscal year to 2,897 million yen.

The decrease in current assets is primarily attributable to a decrease in accounts receivable-trade. The decrease in non-current assets is primarily attributable to sales of investment property included in investments and other assets.

2) Liabilities

Total liabilities at the end of the first quarter decreased by 282 million yen from the end of the previous fiscal year to 1,612 million yen. The balance of current liabilities decreased by 109 million yen from the end of the previous fiscal year to 1,455 million yen.

This is mainly attributable to a decrease in income taxes payable as income taxes for the previous fiscal year were paid.

3) Net assets

Net assets at the end of the first quarter decreased by 16 million yen from the end of the previous fiscal year to 3,123 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, 2023 that was announced on August 15, 2022 with “Consolidated Financial Results for the Fiscal Year Ended June 30, 2022 [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)	
	FY6/22 (As of Jun. 30, 2022)	First quarter of FY6/23 (As of Sep. 30, 2022)
Assets		
Current assets		
Cash and deposits	1,386,267	1,324,324
Accounts receivable-trade	427,901	322,172
Merchandise	800	699
Work in process	8,833	19,031
Supplies	1,588	1,714
Other	149,934	178,700
Allowance for doubtful accounts	(11,227)	(8,057)
Total current assets	1,964,098	1,838,584
Non-current assets		
Property, plant and equipment	461,108	439,175
Intangible assets		
Software	128,844	502,568
Goodwill	1,505,043	1,467,417
Other	388,037	79,244
Total intangible assets	2,021,925	2,049,231
Investments and other assets		
Other	621,361	442,140
Allowance for doubtful accounts	(32,883)	(32,846)
Total investments and other assets	588,477	409,294
Total non-current assets	3,071,512	2,897,700
Total assets	5,035,610	4,736,285
Liabilities		
Current liabilities		
Accounts payable-trade	10,280	10,106
Income taxes payable	166,590	42,561
Contract liabilities	911,984	915,196
Provision for bonuses	-	67,203
Provision for loss on orders received	808	855
Current portion of long-term borrowings	28,272	57,429
Other	447,143	361,921
Total current liabilities	1,565,079	1,455,273
Non-current liabilities		
Long-term borrowings	217,636	44,911
Asset retirement obligations	4,571	4,571
Other	108,000	108,000
Total non-current liabilities	330,207	157,482
Total liabilities	1,895,287	1,612,755

	(Thousands of yen)	
	FY6/22 (As of Jun. 30, 2022)	First quarter of FY6/23 (As of Sep. 30, 2022)
Net assets		
Shareholders' equity		
Share capital	722,608	723,728
Capital surplus	694,318	695,438
Retained earnings	1,786,593	1,767,576
Treasury shares	(63,307)	(63,307)
Total shareholders' equity	3,140,211	3,123,434
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	111	94
Total accumulated other comprehensive income	111	94
Total net assets	3,140,323	3,123,529
Total liabilities and net assets	5,035,610	4,736,285

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

	(Thousands of yen)
	First three months of FY6/23 (Jul. 1, 2022 – Sep. 30, 2022)
Net sales	853,625
Cost of sales	256,221
Gross profit	597,403
Selling, general and administrative expenses	552,301
Operating profit	45,102
Non-operating income	
Insurance return	55,141
Other	2,337
Total non-operating income	57,478
Non-operating expenses	
Foreign exchange losses	4,693
Other	1,662
Total non-operating expenses	6,355
Ordinary profit	96,224
Extraordinary losses	
Loss on sale of non-current assets	155
Total extraordinary losses	155
Profit before income taxes	96,069
Income taxes	43,996
Profit	52,072
Profit attributable to non-controlling interests	-
Profit attributable to owners of parent	52,072

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

	(Thousands of yen)
	First three months of FY6/23 (Jul. 1, 2022 - Sep. 30, 2022)
Profit	52,072
Other comprehensive income	
Valuation difference on available-for-sale securities	(16)
Total other comprehensive income	(16)
Comprehensive income	52,055
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	52,055
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.