Results of Operations for the First Quarter of the Fiscal Year Ending June 30, 2023

Nihon Jyoho Create Co., Ltd.

November 14, 2022

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NJC is a company specializing in real estate SaaS and aiming to be a platformer

Net sales

28th consecutive year of sales growth

Summary of Operations

Goal is to be a platformer for the real estate DX

Using technology to supply business process solutions for real estate leasing and transactions

Rental management system ranking (number of users)

No.1 *1

Businesses using NJC (cumulative): 4,941

*As of June 30, 2022

Number of business locations in Japan

29

+18 YoY

*As of June 30, 2022

Lower cancelation rates

0.5%

Average of monthly cancelation rates

*As of June 2022

MRR

¥175 million

+16.1% YoY

*Based on FY6/22 results

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*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)

A product lineup spanning the SaaS x real estate tech domain

For real estate brokerage companies

Brokerage solutions

For Property management

Property management solutions

All-inclusive workflow solutions for the real estate industry

Property purchasing/sharing	Attracting customers /follow-up	Contracts	Rental property management	Tenant/owner management	Business analysis

Data sharing for real estate companies

Digitalization of the sharing of property info among real estate companies and of real estate purchasing procedures

No fees

B-to-B Property Listing Platform

ReaPro

リアプロ
空室情報をリアルタイムで更新！

Sales/follow-up support

Support for using websites to attract customers and for placing listings on major portal sites

Website production tool

Web Manager Pro3

Real estate portal site registrations

Property Data Links

CRM| Customer management

Contract support services

Support for online real estate transactions, allowing use of smartphones for every step from applications to explanations and signing contracts

Online apartment application

e-apartment application

No fees

IT explanations

System for online contracts

e-contract

Rental management support

IT system for efficient activities for new tenants, lease renewals, invoices, payments from tenants and to property owners, renovations and many other rental property tasks

A comprehensive rental property management system

Chintai Kakumei

Rental management system ranking (number of users) **No.1 *1**

Support for communications

A dedicated smartphone app for sound and efficient communications between property owners and tenants; also helps prevent problems

Owner communication service

Kurasapo Connect App for owners

Communication service with tenants

Kurasapo Connect App for tenants

Support for business analysis

Data accumulated by Chintai Kakumei is automatically analyzed for the visualization of the current status of rental property operations. This service also improves the efficiency of analytic tasks.

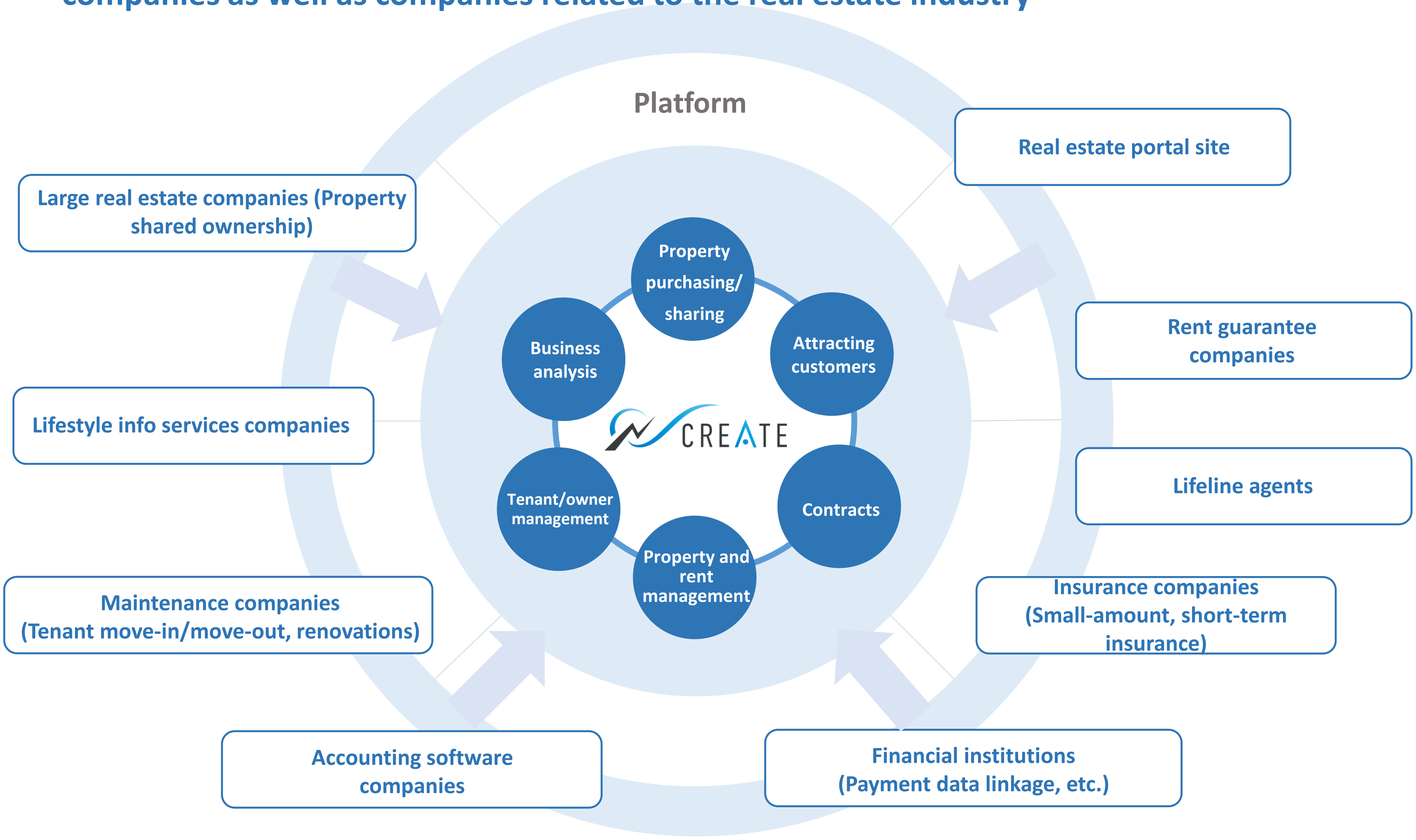
Automatic production tool for Business analysis Report

Chintai Kakumei 10 Business analysis option

*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)

Building a distinctive platform for the DX of the entire real estate industry

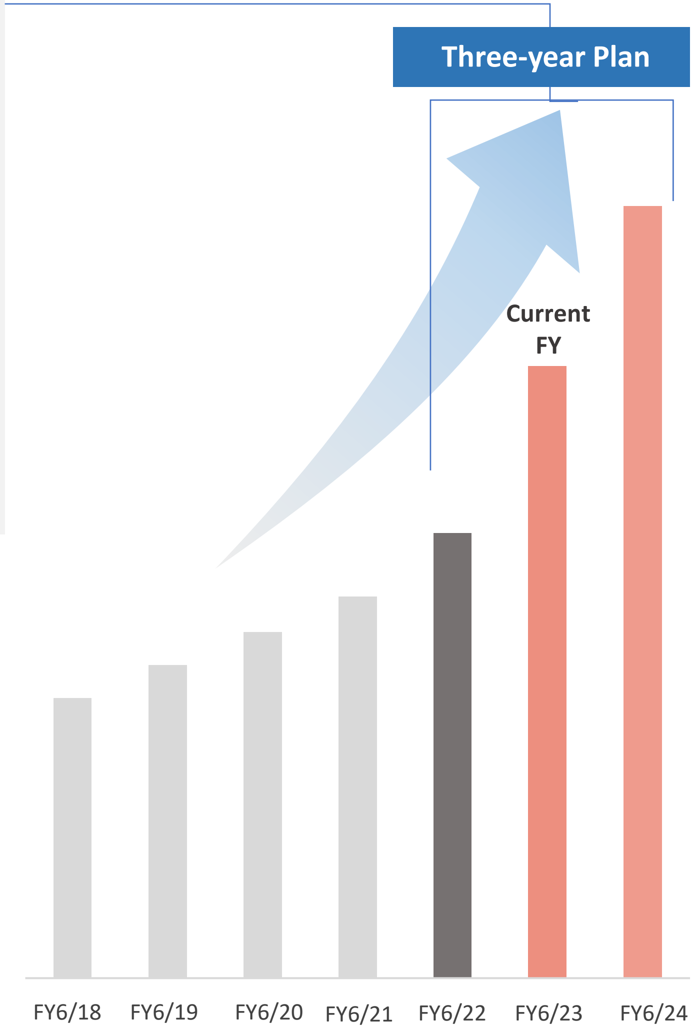
Activities include application programming interfaces (API: data linkage) for real estate companies as well as companies related to the real estate industry


Platform
Large real estate companies (Property shared ownership)
Real estate portal site
Rent guarantee companies
Lifestyle info services companies
Lifeline agents
Maintenance companies (Tenant move-in/move-out, renovations)
Insurance companies (Small-amount, short-term insurance)
Accounting software companies
Financial institutions (Payment data linkage, etc.)
Property purchasing/ sharing
Attracting customers
Contracts
Property and rent management
Tenant/owner management
Business analysis
CREATE

Business Plan| Three-year Plan (FY6/22 to FY6/24)

In FY6/23, the plan's second year, salespeople hired during FY6/22 will become even more effective in order to contribute to accomplishing the plan's goals.

	FY6/22 results	FY6/23 (Second year) FY6/23 plan	FY6/23 (Second year) YoY	FY6/24 plan	YoY
Net sales	¥3,050 million	**¥4,200 million**	**+37.7%**	**¥5,300 million**	**+26.2%**
Gross profit	¥500 million	**¥850 million**	**+70.0%**	**¥1,350 million**	**+58.8%**
EBITDA	¥570 million	**¥1,210 million**	**+112.2%**	**¥1,720 million**	**+42.1%**
Ordinary profit	¥530 million	**¥900 million**	**+69.8%**	**¥1,380 million**	**+53.3%**



🟥 FY6/23 is a year for generating returns on investments made in FY6/22

Investments during FY6/22

- Increased the number of sales offices from 11 to 29 (+18)
- Increased the number of salespeople from 58 to 113 (+55)
- Acquisition and management integration of RealNetPro Co., Ltd.

➡ **Higher sales and profitability**

1Q FY6/23 Financial Results

1Q Financial Highlights

(Millions of yen)	1Q FY6/22	1Q FY6/23 (Consolidated)	YoY change		Explanation
Net sales	**743**	**853**	+14.8%		Higher sales due to RealNetPro, which was acquired in FY6/22; no YoY change in NJC's sales
Brokerage solutions	220	359	+63.4%		Big increase due to higher sales at NJC and the inclusion of the sales of RealNetPro
Property management solutions	515	485	-5.8%		Decreased because of YoY decline in initial sales because of a smaller number of new customers
Operating profit	549	597	+8.8%		
Operating margin	73.8%	70.0%	-3.8pt		Increase in cost of using external cloud service (AWS) because of the yen's depreciation
Ordinary profit	**176**	**45**	-74.5%		Down because of higher SG&A expenses caused by more sales offices and salespeople and sales that were below the plan
Operating margin	23.8%	5.3%	-18.5pt		
EBITDA	**190**	**106**	-44.2%		
Ordinary profit	**214**	**96**	-55.2%		
Profit	**149**	**52**	-65.2%		

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.

1Q Financial Highlights | Quarterly

	FY6/22				1Q FY6/23 (Consolidated)	Explanation
(Millions of yen)	1Q	2Q	3Q	4Q	1Q	
Net sales	743	765	688	856	**853**	Increased YoY because of the inclusion of RealNetPro but lower than in the previous quarter
Brokerage solutions	220	230	232	246	359	A big increase due to the inclusion of RealNetPro; sales were higher at NJC
Property management solutions	515	525	446	599	485	Initial sales decreased because of a smaller number of new customers but solid growth of steady revenue
Operating profit	176	191	81	51	45	SG&A expenses increased starting in 3Q FY6/22 because of salesforce growth *SG&A expenses include expenses of ¥98 million in 4Q FY6/22 associated with the acquisition of RealNetPro.
Operating margin	23.8c	25.0%	11.9%	6.0%	5.3%	
Ordinary profit	214	190	82	50	96	
Profit	149	132	57	-55	52	

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.

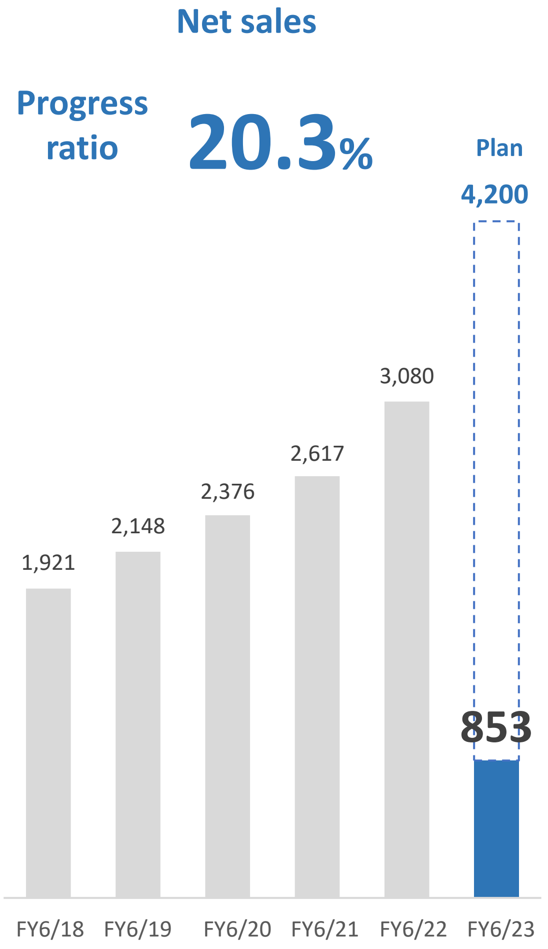
1Q Financial Highlights | Progress vs. Business Plan (Consolidated)

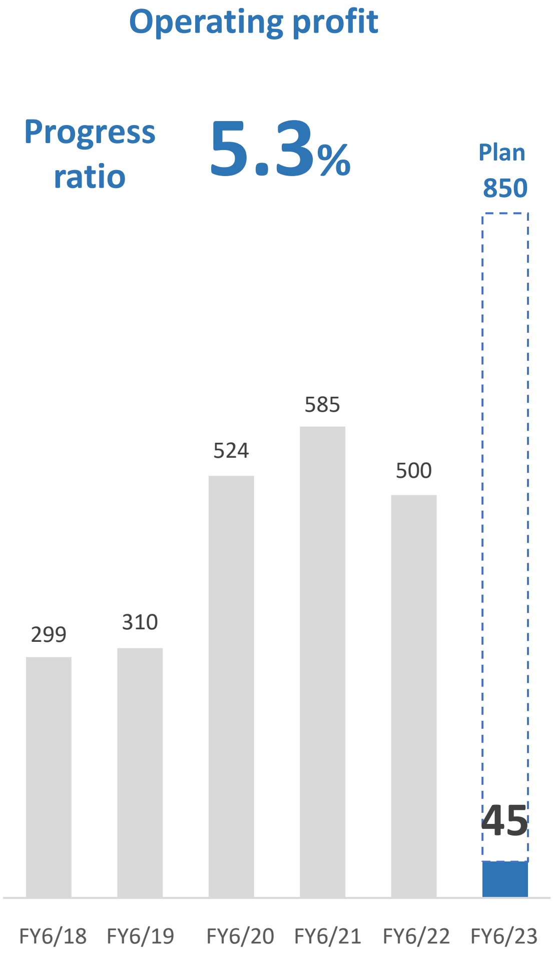
Net sales

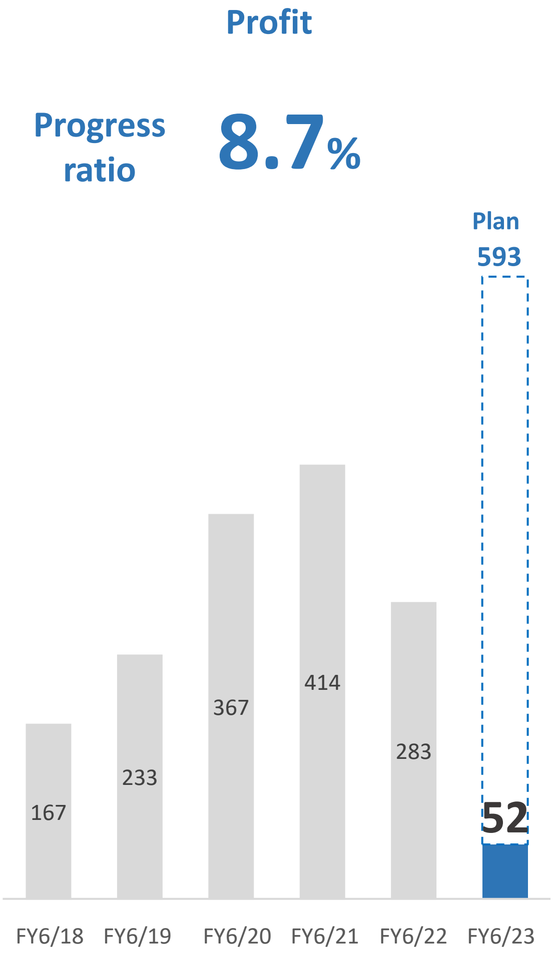
Sales were **20.3% of the FY plan** due to the slow emergence of benefits of FY6/22 investments for growth by recruiting salespeople and adding sales offices.

Operating profit

Only **5.3% of the FY plan** because sales growth did not offset higher personnel expenses and the weaker yen raised external cloud service expenses.







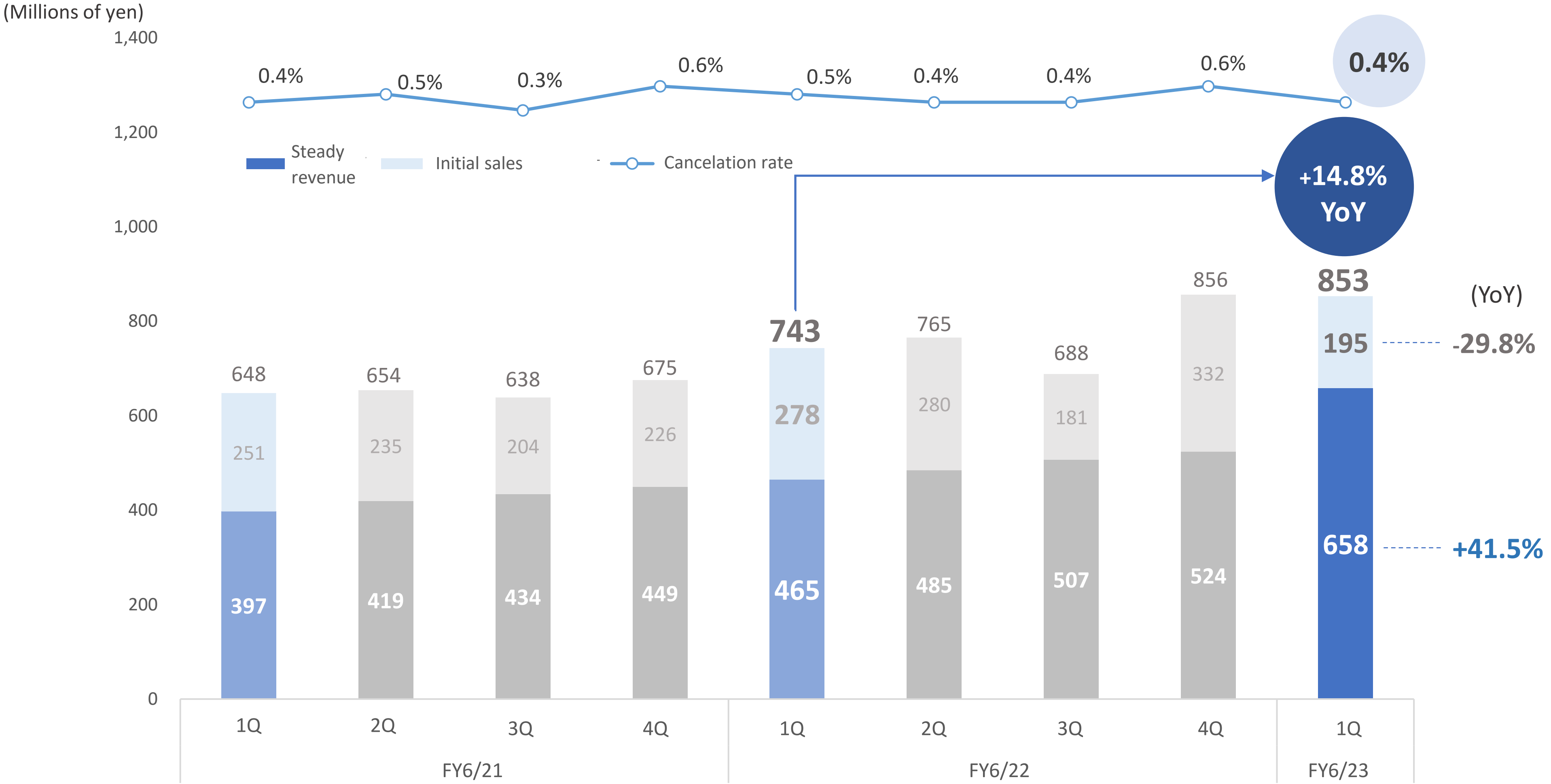
1Q Financial Highlights | Cancelation Rate and Steady Revenue (Consolidated)

Steady revenue:
Increased due to solid organic growth backed by a consistently low cancelation rate and to the inclusion of RealNetPro

Initial sales:
New customer sales decreased in the property management solutions business, which is a large percentage of total sales

* Initial sales: Sales recognized when a sale is made; consists of expenses for starting to use software and for the software license

* Steady revenue: License fees and service use fees recognized as sales during the utilization/maintenance period



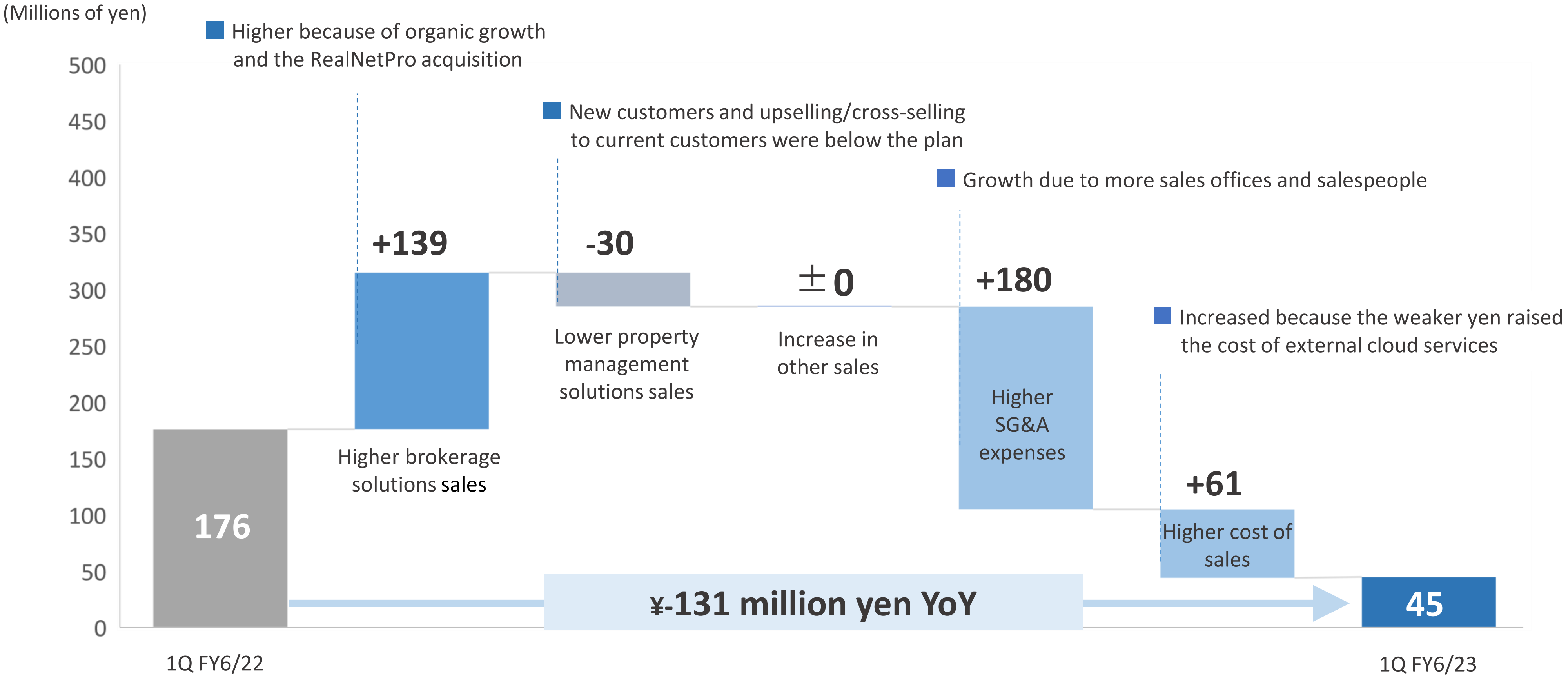
Components of Change in Operating Profit

Net sales

Brokerage solutions sales increased because of the acquisition of RealNetPro and property management solutions sales decreased, the result of higher steady revenue and a decline in initial sales caused by fewer new customers.

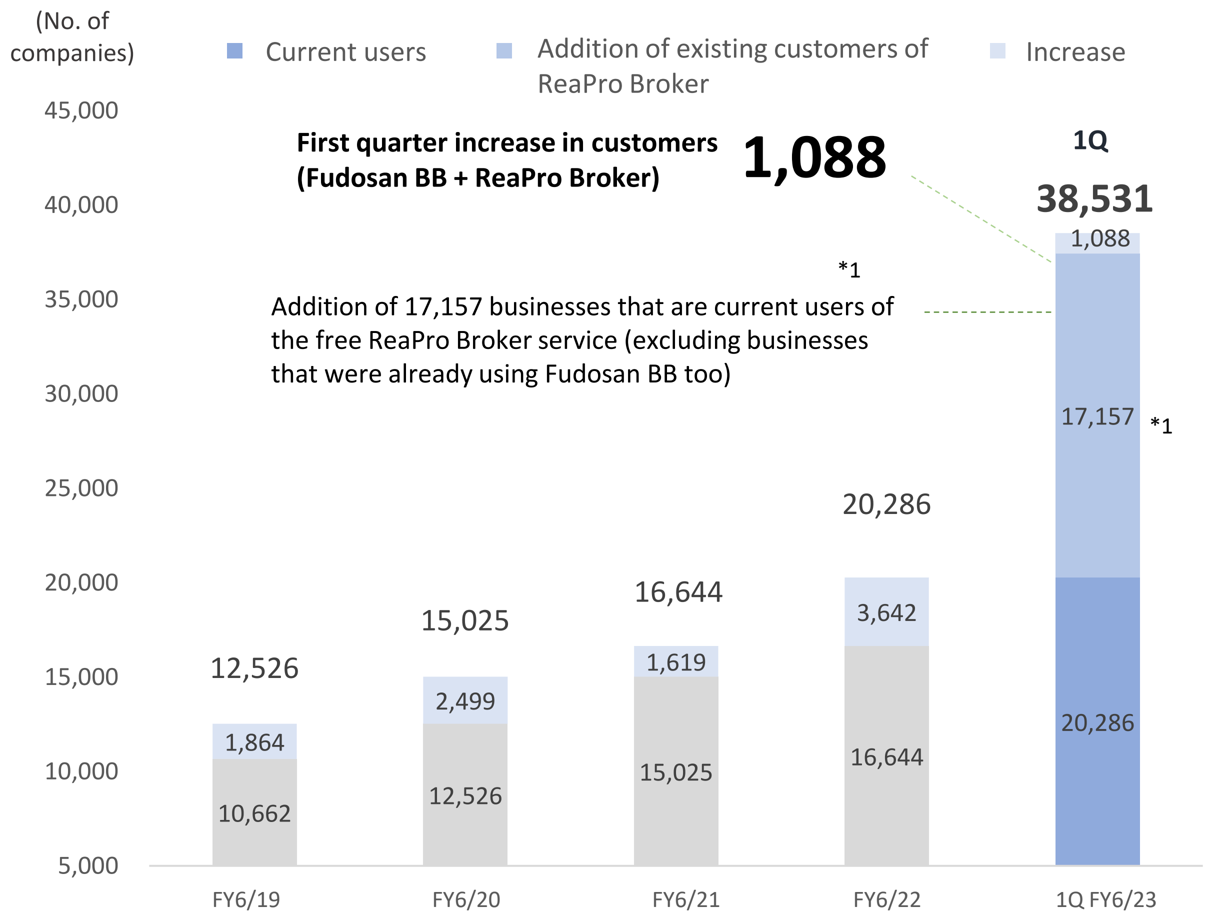
Higher SG&A expenses/ cost of sales]

SG&A expenses increased because of the additional salespeople hired during FY6/22 and the weaker yen raised external cloud service expenses.



Steady Growth (1) | Increase of Free B-to-B Property Listing Platform Customers

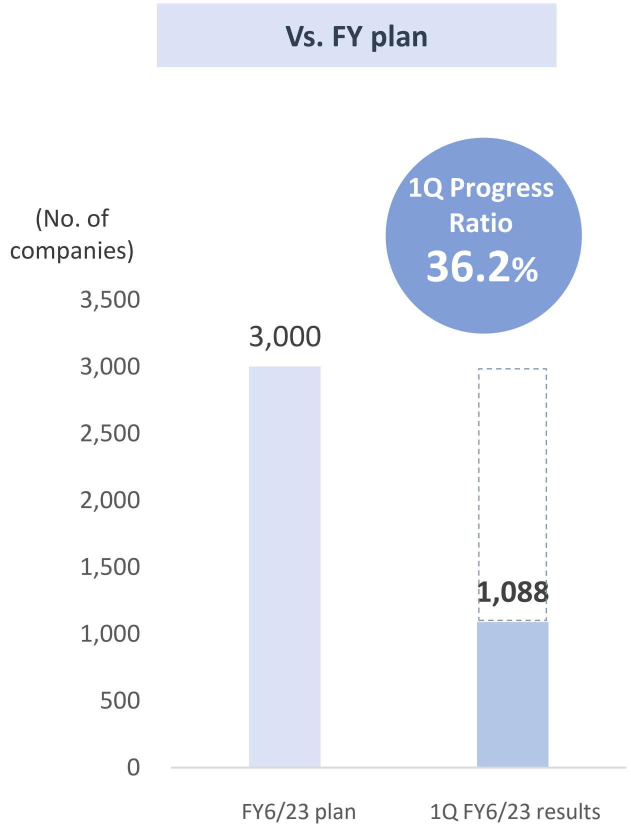
Steady increase in the number of businesses using the free Fudosan BB property listing platform to establish a customer base in accordance with the freemium strategy. Activities continue to attract more customers in order to capture a larger share of this market.



First quarter increase in customers (Fudosan BB + ReaPro Broker) **1,088**

*1 Addition of 17,157 businesses that are current users of the free ReaPro Broker service (excluding businesses that were already using Fudosan BB too)

Vs. FY plan

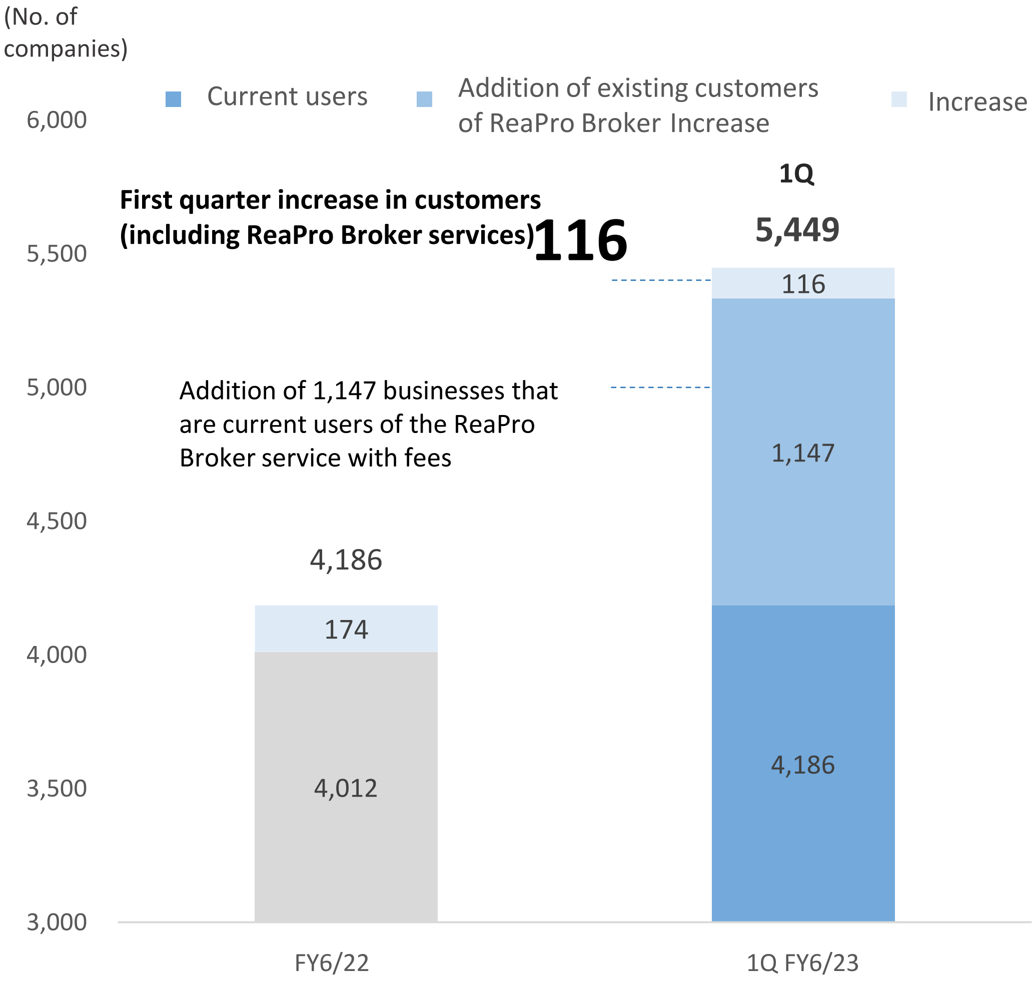


1Q Progress Ratio 36.2%

*1 In previous disclosure materials, there was an increase of 8,087 users due to the addition of the existing customers of ReaPro Broker (excluding businesses that were already using Fudosan BB too.) This increase changed following a follow-up examination of the combination of customer data and resulted in the official increase of 17,157.

Steady Growth (2) | Increase of Customers for Services with Monthly Fees

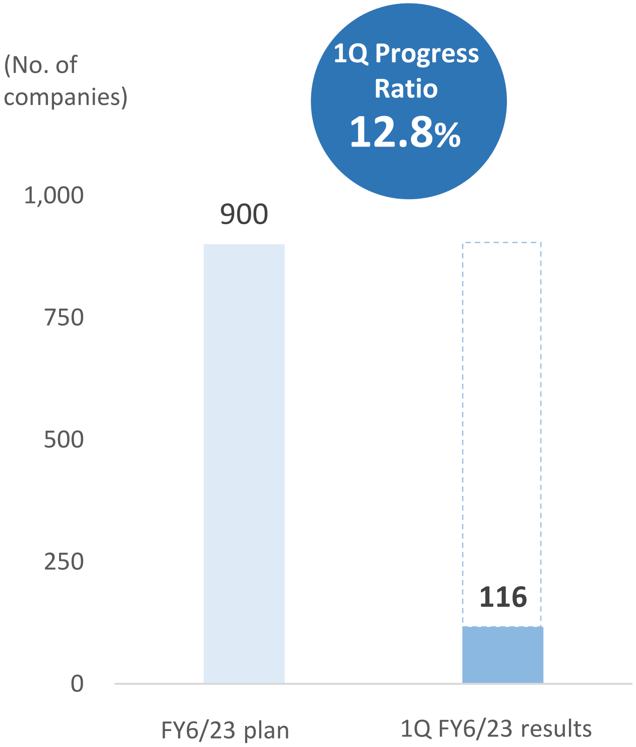
Additional NJC customers in the first quarter were more than half of the FY6/22 increase of 174 but still only 12.8% of the FY6/23 plan. Aiming for faster growth by continuing to upgrade the skills of salespeople hired during FY6/22.



First quarter increase in customers (including ReaPro Broker services) 116

Addition of 1,147 businesses that are current users of the ReaPro Broker service with fees

Vs. FY plan



1Q Progress Ratio 12.8%

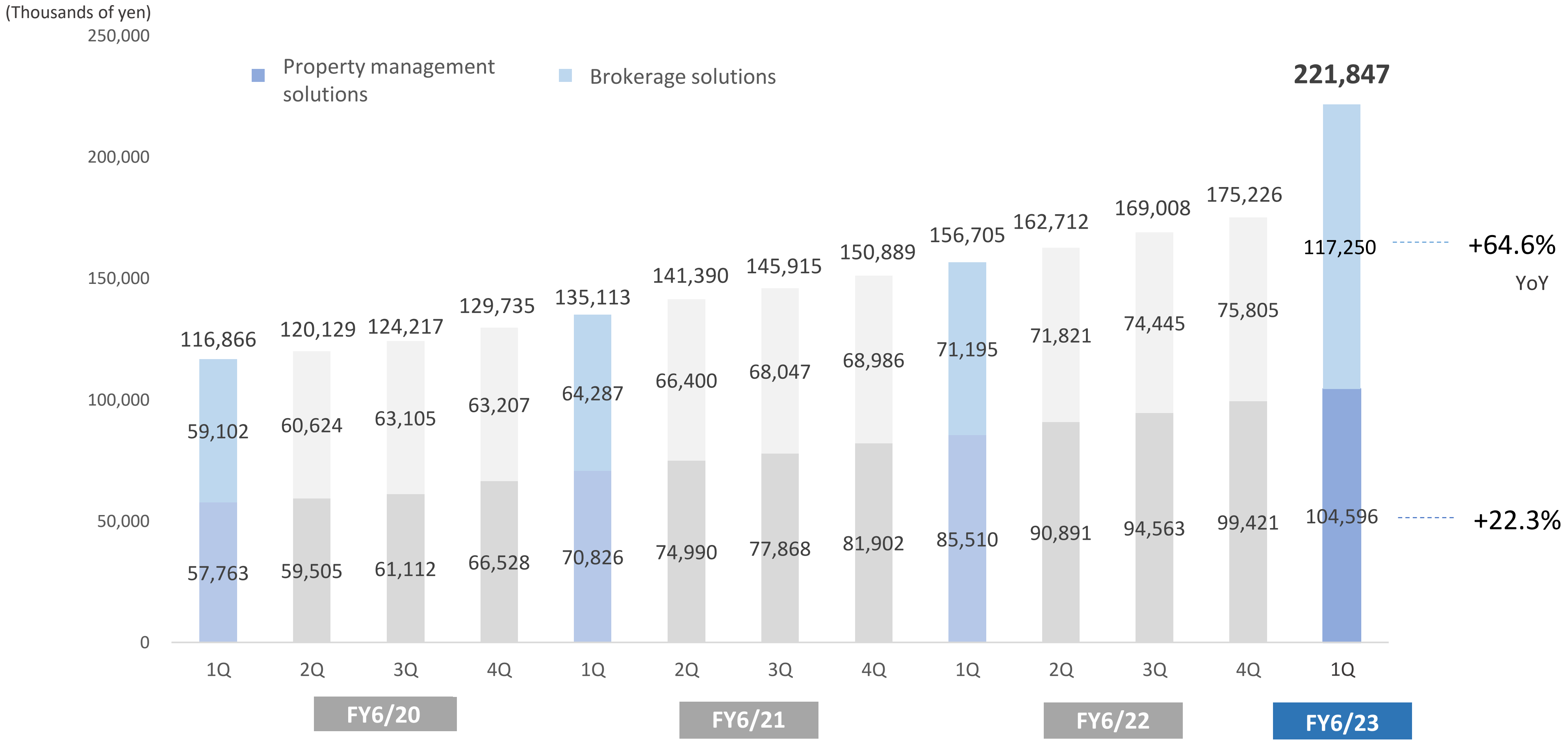
Steady Growth (3)| Growth of Monthly Recurring Revenue (Consolidated)

Property Management Solutions

MRR was **up 22.3%** YoY because of increasing monthly fee income from the core Chintai Kakumei service.

Brokerage Solutions

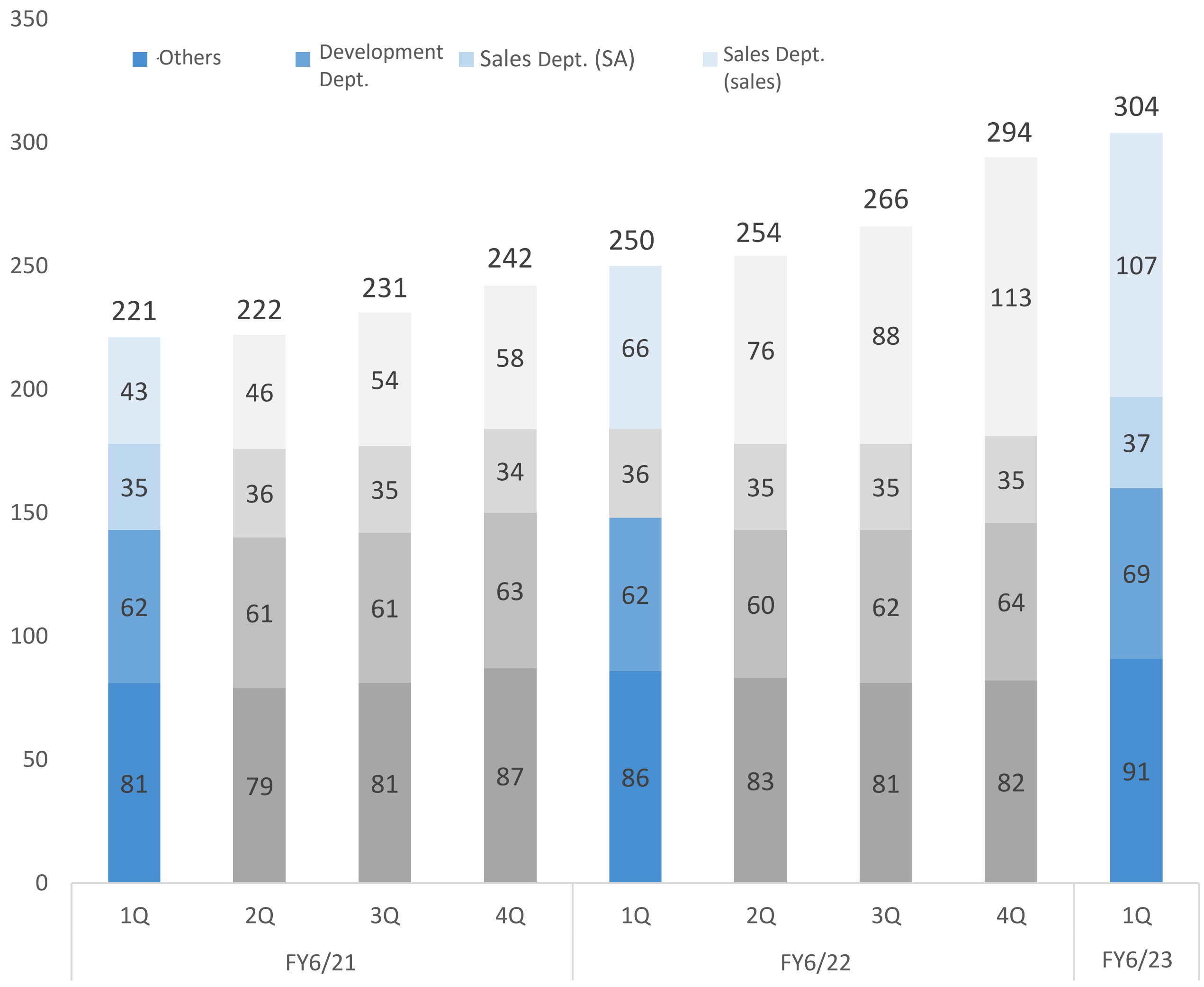
MRR was **up 64.6%** YoY including the addition of ReaPro fee income due to the acquisition of RealNetPro.



*MRR is expected to increase due to upselling/cross-selling of brokerage and property management solutions

Steady Growth (4) | Number of Full-time Employees (Consolidated)

Partially revised the reallocation of salespeople in order to strengthen the sales support framework and plan to implement cost controls concerning the plan for more salespeople while monitoring results of operations.



A stronger sales support framework

At the end of June 2022, shifted part of the 113-person salesforce to the sales support team and also focusing on customer success.

Reassign people from sales to system advisers for customer support and better follow-up on resale opportunities

System advisers primarily work with current customers involving activities extending from helping customers use NJC Group services to sales of additional products/services to these customers.

The sales teleworking team was reorganized as a separate department in FY6/23.

- Customer success
- Inside sales

More than 200 Companies Using the e-Contract Service

Activities for increasing the use of e-contracts/e-apartment applications for the real estate DX

System for online contracts

e-contract **Fees received**

Amended Law Enacted May 2022

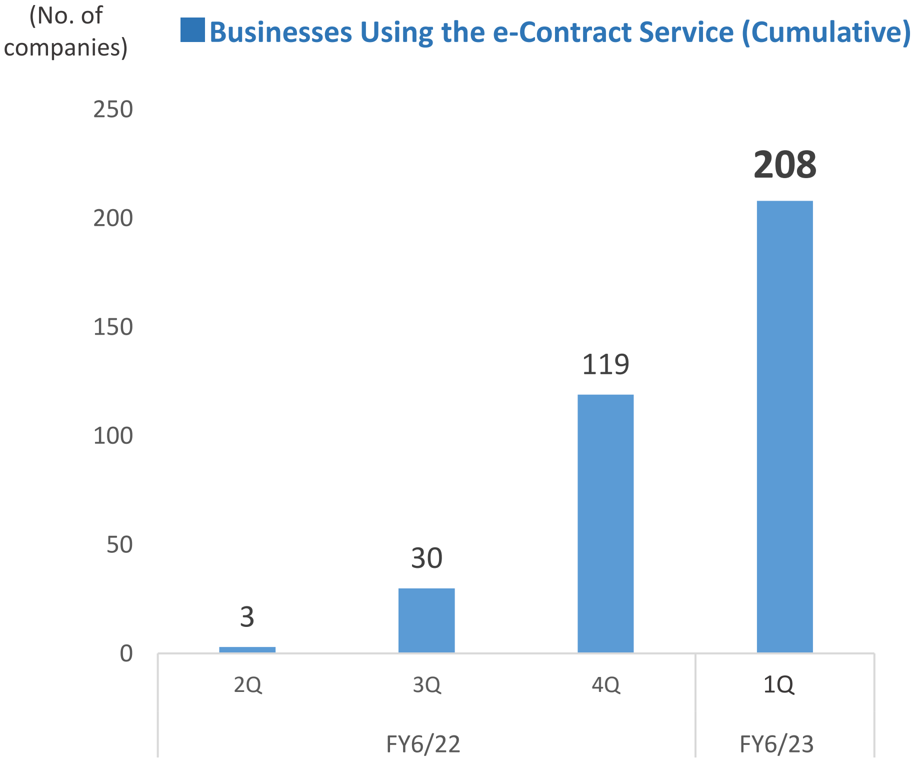
Since May 2022, fully online real estate contracts are possible due to amendments to the Home Building Business Law. The e-contract service eliminates the need for face-to-face meetings and the use of postal mail to send contracts. All steps can be performed online.

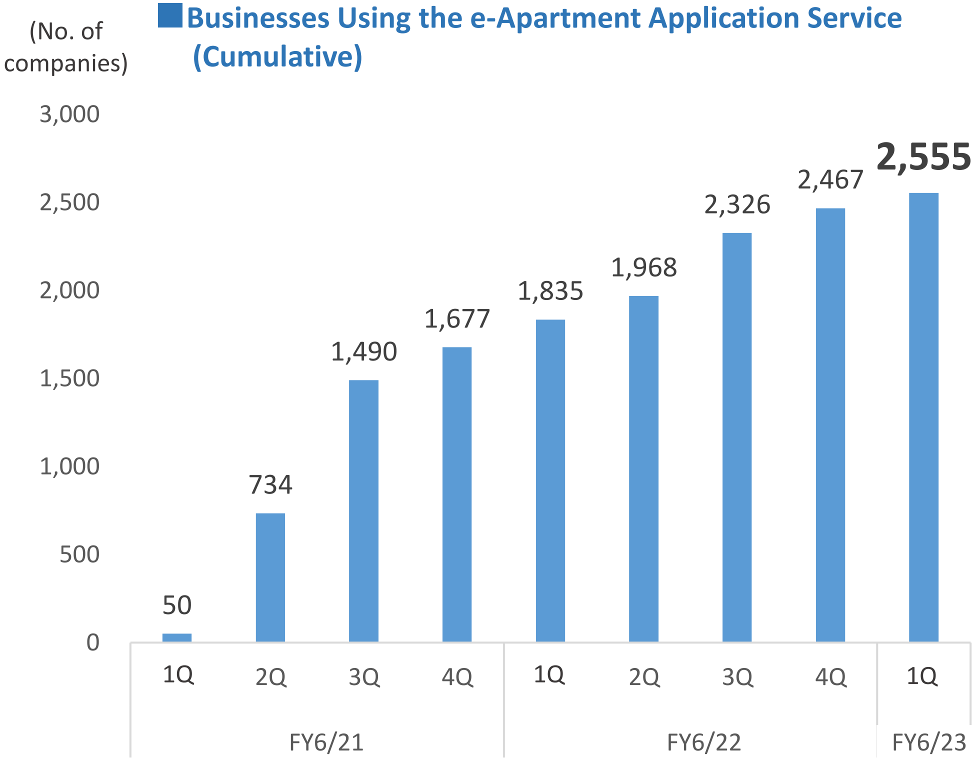
Online apartment application

No fees

e-apartment application

The e-apartment application is a service for rental property management companies that allows performing online the entire application process that, if successful, results in signing a rental agreement. There is no need for handwritten applications, facsimile transmissions or telephone calls, which results in much higher productivity for these companies.





Limited Release of New Version of Fudosan BB | Distribution to begin in late September 2022

Mid-September 2022	Late-Sep. to Late Nov. 2022	(Planned) Starting Dec. 2022
Development of new version	**Release in selected regions** Product development + Improvements, Higher quality	Start of **nationwide** distribution

不動産BB

B-to-B Property Listing Platform

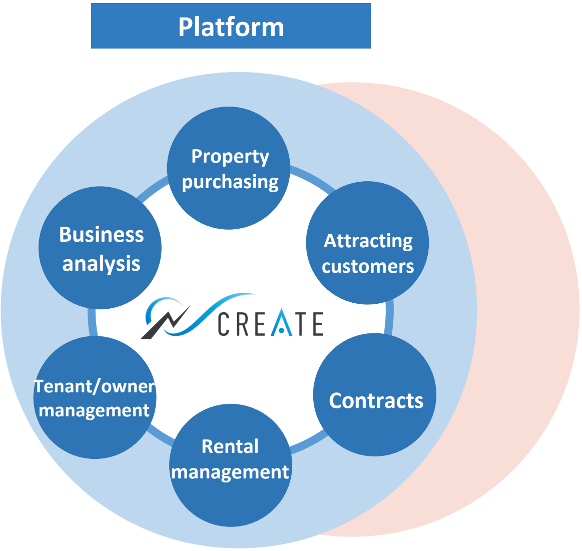
No fees

*Current version is shown on the screen

Upgraded functions for faster growth of the customer base

- **CRM| The prospective customer management function** — Fees received
- **Faster system speed**
- **Apartment tour reservations** — Fees received
- **More links with Chintai Kakumei 11 (under development)**
- **UI and UX improvements**
- **Revisions to meet customers' requests**

Alliances with companies for building a powerful platform



Insurance data alliances

Plaza Guarantee Co., Ltd. — PLAZA Guarantee

Teppeki Co., Ltd. — 鉄壁

Linkage with NJC's e-apartment application service simplifies guarantee applications and other procedures

Monthly parking system alliance

HATCH WORK CO.,LTD. — HATCHWORK

Data linkage with Chintai Kakumei involving open parking spaces, parking space contracts and payments, and other items raises productivity.

VR cloud software alliance

Spacely, Inc — Spacely

URL linkage with NJC systems allows incorporating the online apartment tour content of Spacely in the B-to-B listing service and the websites of real estate companies.

Activities for the Remainder of FY6/23 to Accomplish the FY Plan

Sales Strategy for the Remainder of FY6/23

	First quarter issues	Actions from second quarter onwards
Strategies	• Although the freemium strategy is consistently adding customers, progress with shifting customers to services with fees is slow. Salespeople hired during FY6/22 need to become more productive. • Services must be stronger to be more competitive. • Need to quickly establish data linkage with ReaPro.	• Continuing to train new salespeople • Started data linkage with the ReaPro service of RealNetPro; strengthen cross-selling by launching CRM AI Property Appraisal and other new services
Education	• New employees have received basic training but individual performance differs depending on skill levels	• Establish training programs that target differences in skills and individual requirements and perform periodic follow-up activities to upgrade the capabilities of salespeople
Labor productivity	• Salespeople need a better understanding of products and services and ability to create proposals for customers as the lineup of products and services and the number of customers increase. Another issue is the growing volume of work required to assist new customers with the use of products and services.	• Strengthen inside sales activities (telephone appointments, etc.) to serve a larger number of customers. • Increase sales of products and services to current customers and use the customer success team for follow-up support.
Alliances and M&A	Quickly forge alliances with companies associated with solutions for brokerage operations in order to establish a platform rapidly.	Strengthen the frameworks for the newly established Platform Creation Office and DX Promotion Department and reexamine activities performed by these two units.

Use the start of data linkage for extensive cross-selling to ReaPro customers

- Linkage with Chintai Kakumei (rental property management support system) and WebManagerPro (website production tool)
- Cross-selling of services with fees to users of ReaPro

1 Chintai Kakumei data linkage for higher efficiency

End of November 2022 (Plan)

Data linkage for different services greatly improves efficiency for operations extending from rental management to the sharing of data among companies

A comprehensive rental property management system

Chintai Kakumei

Data links

ReaPro

空室情報をリアルタイムで更新！

2 WebManagerPro data linkage for higher efficiency

End of January 2023 (Plan)

Data linkage for different services improves efficiency by enabling companies to easily post ReaPro listed properties on their own websites

Website production tool

Web Manager Pro3

Data links

Customer consultants

Cross-selling

Cross-sell Chintai Kakumei to ReaPro customers

Cross-sell ReaPro to Chintai Kakumei customers

Sales activities targeting

17,157

ReaPro users

(excluding users of both ReaPro and Fudosan BB)

*As of end of June 2022

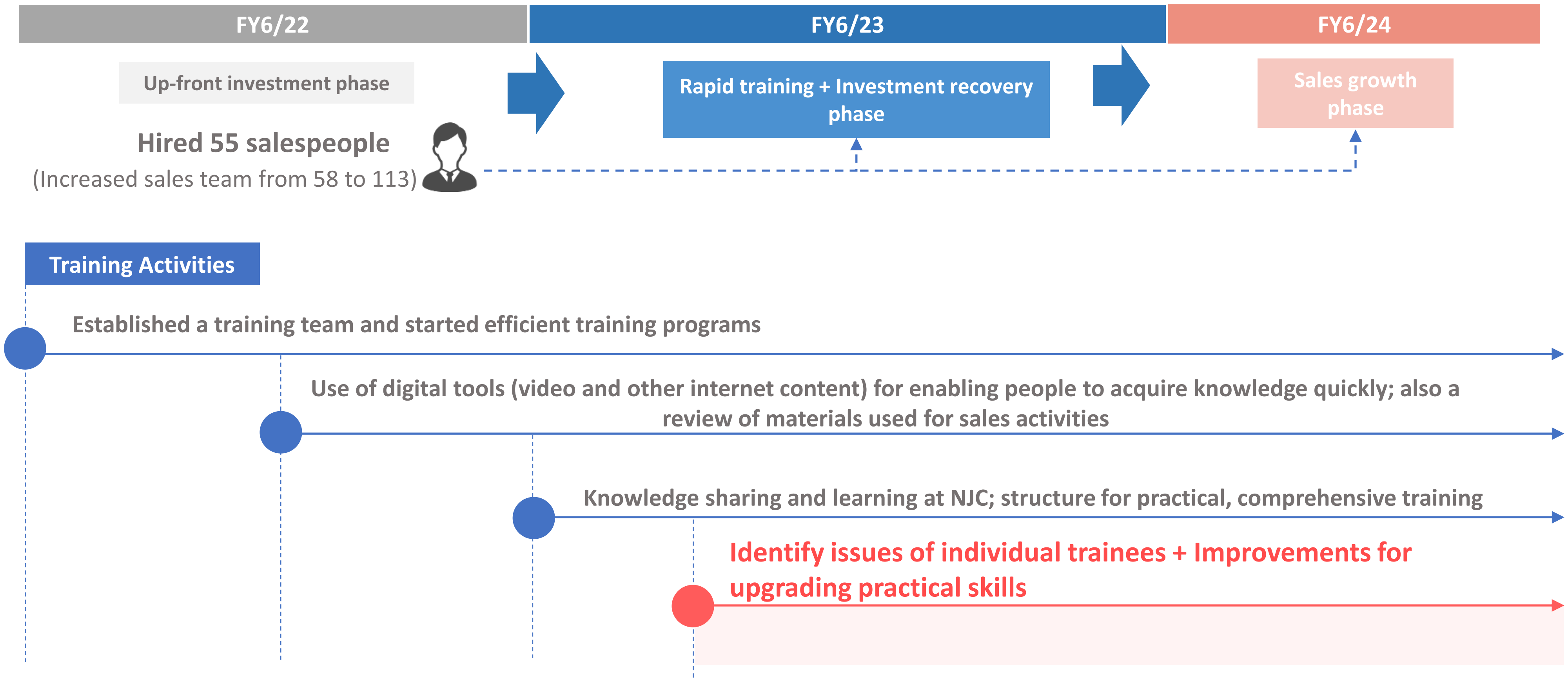
Customer consultants

Cross-selling

Cross-sell WebManagerPro to ReaPro customers

Cross-sell ReaPro to WebManagerPro customers

Continue activities for quickly making new salespeople productive



FY6/22	FY6/23	FY6/24
Up-front investment phase	Rapid training + Investment recovery phase	Sales growth phase

Hired 55 salespeople
(Increased sales team from 58 to 113)

Training Activities

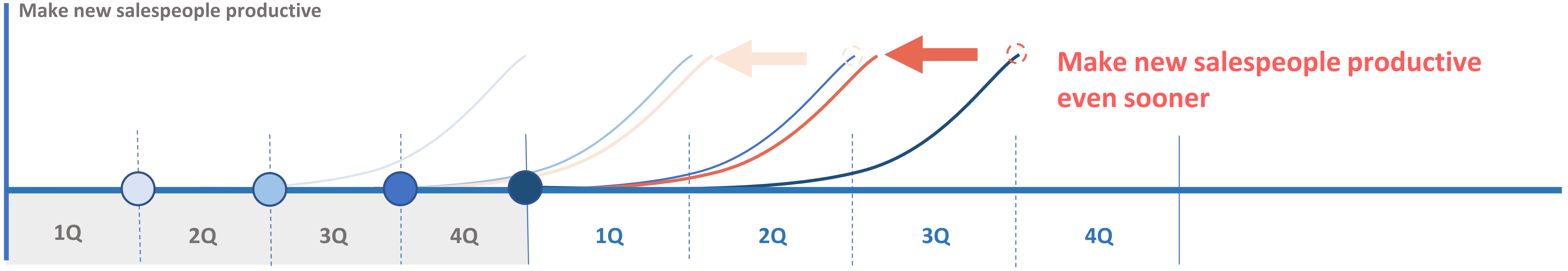
Established a training team and started efficient training programs

Use of digital tools (video and other internet content) for enabling people to acquire knowledge quickly; also a review of materials used for sales activities

Knowledge sharing and learning at NJC; structure for practical, comprehensive training

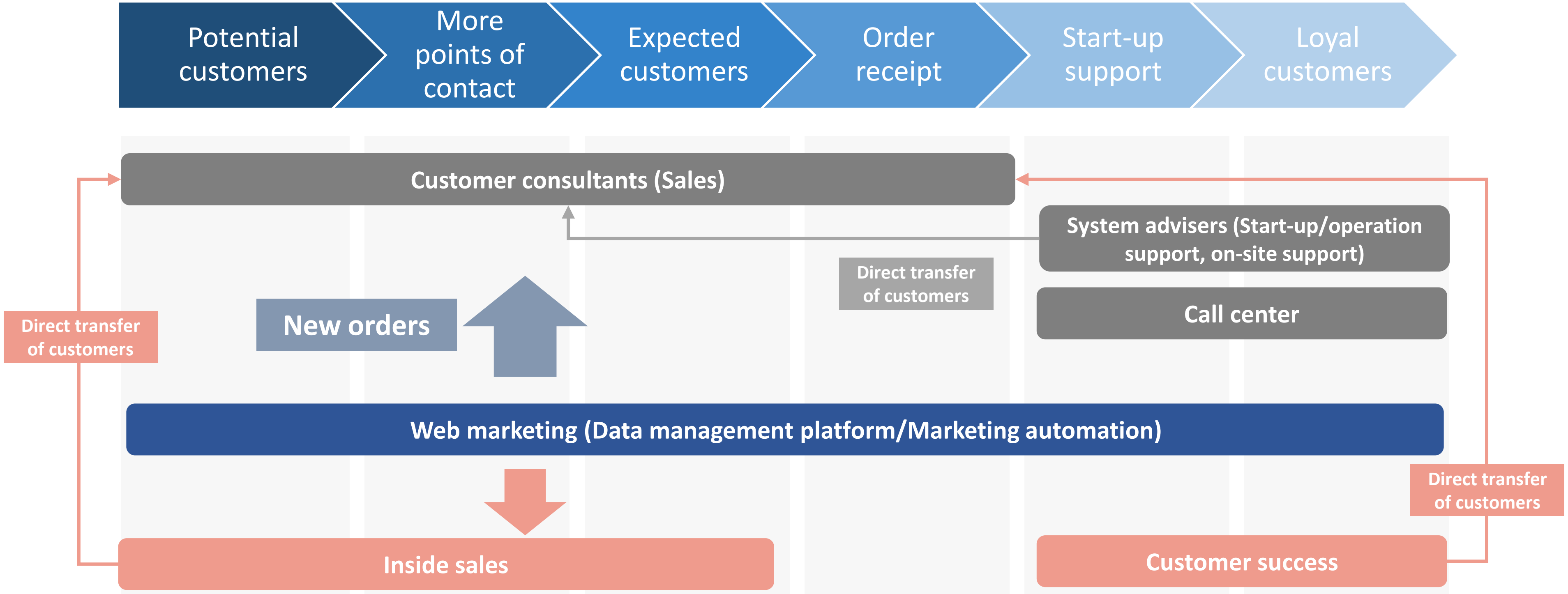
Identify issues of individual trainees + Improvements for upgrading practical skills

Make new salespeople productive



Make new salespeople productive even sooner

More powerful frameworks for sales and customer support and actions for higher labor productivity


Potential customers

More points of contact

Expected customers

Order receipt

Start-up support

Loyal customers

Customer consultants (Sales)

System advisers (Start-up/operation support, on-site support)

Direct transfer of customers

Call center

Direct transfer of customers

New orders

Web marketing (Data management platform/Marketing automation)

Direct transfer of customers

Inside sales

Customer success

- Collaboration with customer consultants
- Telephone calls using scenarios for attracting new customers in order to help receive orders

- Increases customer satisfaction
- Sales activities for additional services

New Version of Fudosan BB| A new optional service with a fee

Mid-September 2022	Late-Sep. to Late Nov. 2022	(Planned) Starting Dec. 2022
Development of new version	**Release in selected regions** Product development + Improvements, Higher quality	Start of **nationwide** distribution

B-to-B Property Listing Platform

No fees

*Current version is shown on the screen

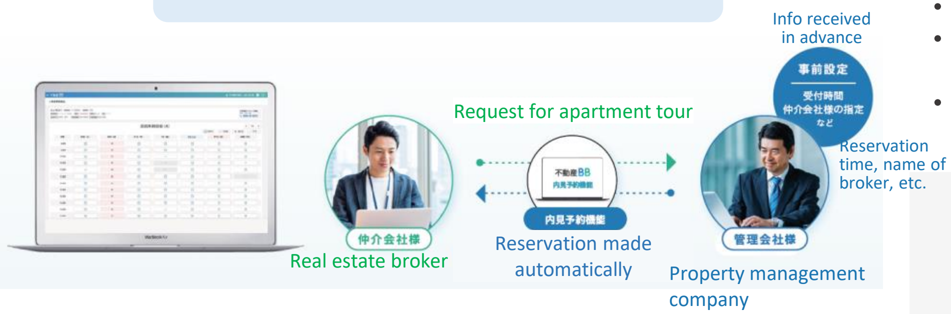
CRM| The prospective customer management function **Fees received**

CRM| The prospective customer management function

- Automatically incorporates customer contact from portal sites
- Automation of responses to customers and of other customer follow-up activities
- Analysis of portal site and other feedback

The system centralizes management of every step from receipt of first contact to signing of a service contract, which prevents mistakes and lost opportunities involving follow-up activities after an inquiry from a potential customer is received.

Apartment tour reservations **Fees received**


Info received in advance
事前設定
受付時間
仲介会社様の指定
など
Reservation time, name of broker, etc.
Request for apartment tour
不動産BB
内見予約機能
内見予約機能
Reservation made automatically
仲介会社様
Real estate broker
管理会社様
Property management company

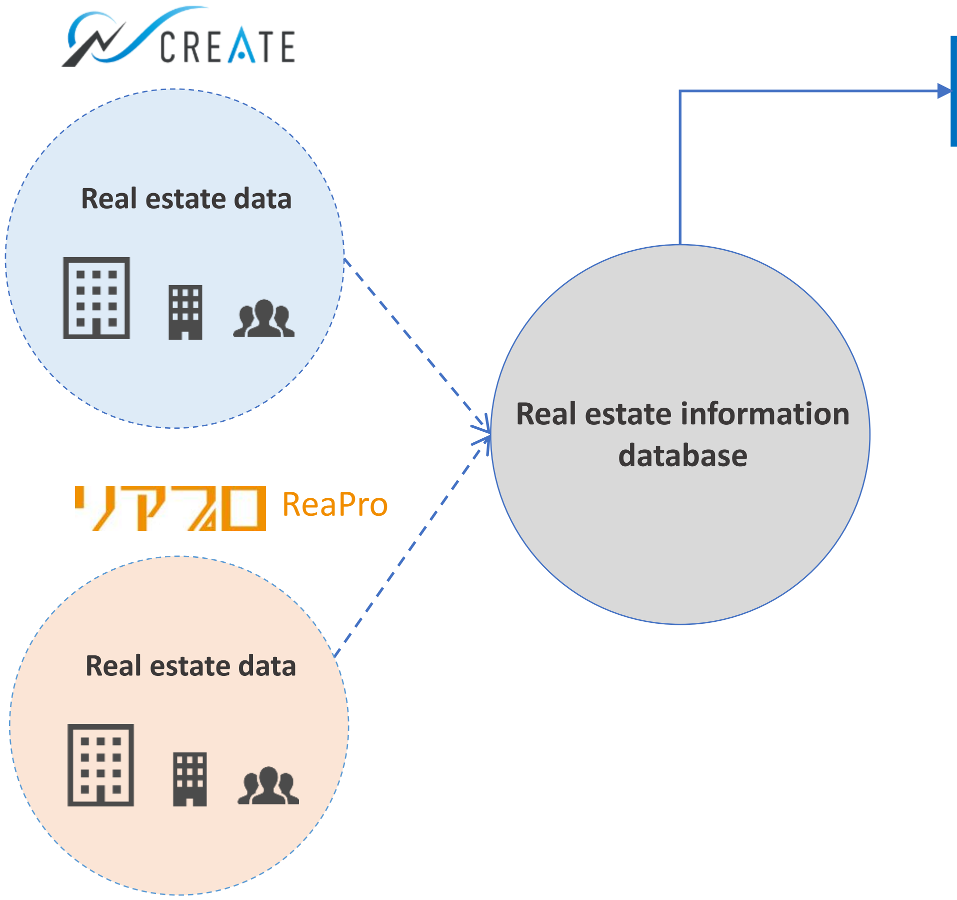
The apartment tour reservation function

- All steps for reserving a tour are performed online
- Calendar format used to simplify checking for openings and making reservations
- Automatic notification of reservation changes and other information

This service allows Fudosan BB to automatically perform all apartment tour reservation tasks that previously required e-mail messages, telephone calls and other communications between real estate companies.

Data Utilization| Plan to launch an AI property appraisal service

Strengthen big data services by integrating customer and property data of NJC and RealNetPro, performing AI property appraisals, and using other activities



CREATE

Real estate data

リアプロ ReaPro

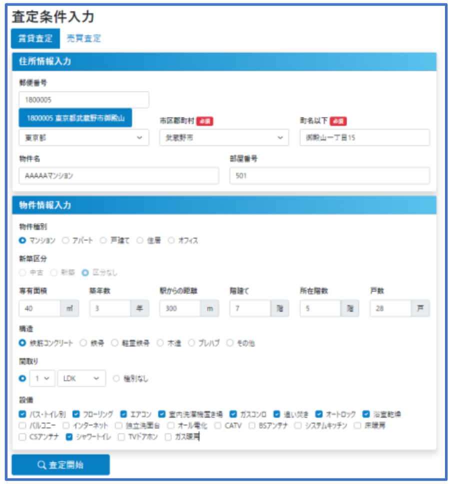
Real estate data

Real estate information database

Property appraisals using artificial intelligence
***Under development**

- AI models for estimating rent for rental properties and prices for properties for sale
- A list and map can be used to confirm the basis for calculations, check properties near the appraised property, view selected life style data and obtain other information.
- Result of the appraisal process can be output in the format of an appraisal report.

Input of data for appraisal



査定条件入力

賃貸査定　売買査定

住所情報入力

郵便番号: 1800005

1800005 東京都武蔵野市御殿山

東京都

市区郡町村 必須: 武蔵野市

町名以下 必須: 御殿山一丁目15

物件名: AAAAAマンション

部屋番号: 501

物件情報入力

物件種別: ● マンション ○ アパート ○ 戸建て ○ 住居 ○ オフィス

新築区分: ○ 中古 ○ 新築 ● 区分なし

専有面積: 40 ㎡

築年数: 3 年

駅からの距離: 300 m

階建て: 7 階

所在階数: 5 階

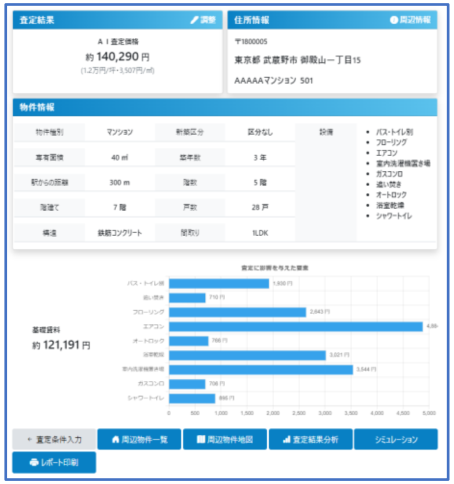
戸数: 28 戸

構造: ● 鉄筋コンクリート ○ 鉄骨 ○ 軽量鉄骨 ○ 木造 ○ プレハブ ○ その他

間取り: ● 1 LDK ○ 種別なし

設備: ☑ バス・トイレ別 ☑ フローリング ☑ エアコン ☑ 室内洗濯機置き場 ☑ ガスコンロ ☑ 追い焚き ☑ オートロック ☑ 浴室乾燥 ☐ バルコニー ☐ インターネット ☐ 独立洗面台 ☐ オール電化 ☐ CATV ☐ BSアンテナ ☐ システムキッチン ☐ 床暖房 ☐ CSアンテナ ☑ シャワートイレ ☐ TVドアホン ☐ ガス暖房

Appraisal report



査定結果

AI査定価格
約 140,290 円
(1.2万円/坪・3,507円/㎡)

住所情報

〒1800005
東京都 武蔵野市 御殿山一丁目15
AAAAAマンション 501

物件情報

物件種別	マンション	新築区分	区分なし	設備	バス・トイレ別 フローリング エアコン 室内洗濯機置き場 ガスコンロ 追い焚き オートロック 浴室乾燥 シャワートイレ
専有面積	40 ㎡	築年数	3 年		
駅からの距離	300 m	階数	5 階		
階建て	7 階	戸数	28 戸		
構造	鉄筋コンクリート	間取り	1LDK		

基礎賃料
約 121,191 円

調整
周辺情報
査定に影響を与えた要素
バス・トイレ別 1,930 円
追い焚き 710 円
フローリング 2,643 円
エアコン 4,88-
オートロック 766 円
浴室乾燥 3,021 円
室内洗濯機置き場 3,544 円
ガスコンロ 708 円
シャワートイレ 896 円
0
500
1,000
1,500
2,000
2,500
3,000
3,500
4,000
4,500
5,000
← 査定条件入力
周辺物件一覧
周辺物件地図
査定結果分析
シミュレーション
レポート印刷

Appendix

Three-year Growth Strategy | FY6/22- FY6/23

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. **Aiming for step up to Prime Market listing by becoming a company that plays vital roles in Japan's real estate industry.**
4. **Use M&A as one growth strategy for even faster growth.**

Speed Up the Growth of Sales and Earnings in Three Categories

Before

Become more than a software company

The DX of the real estate industry
Optimization of individual business processes for customers

FY6/22 – FY6/24

The platform building stage

Build a platform like no other by investing in three categories

Product strategies

Stronger products

Use upselling and cross-selling supported by even more competitive products and newly developed products for sales growth and higher profitability.

People strategies

Stronger sales team

More salespeople to aim for a larger market share. Establish a training program for quickly transforming people with no experience into productive salespeople.

Customer strategies

Marketing and the sales network

Stronger marketing and more sales bases because increasing points of contact with customers is vital for differentiating Nihon Jyoho Create regarding the real estate DX.

FY6/25 -

The platformer stage

Growth

Innovation

Creation

Mission: Dedicated to the happiness of everyone we serve!

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)**

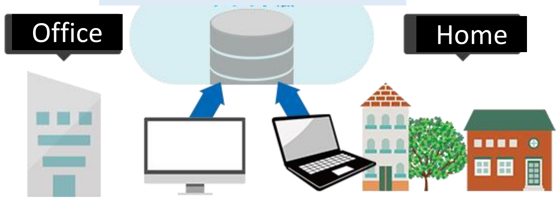
Passage of digital reform laws

Personal and corporate seals are no longer needed on real estate transaction contracts from May 18, 2022. 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.

Chintai Kakumei
for the Cloud



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

BB 不動産BB 業者間物件流通サービス
Web Manager Pro3 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 くらさぽ
会計連動オプション スタート・バリュープラン版
物件データ連動 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

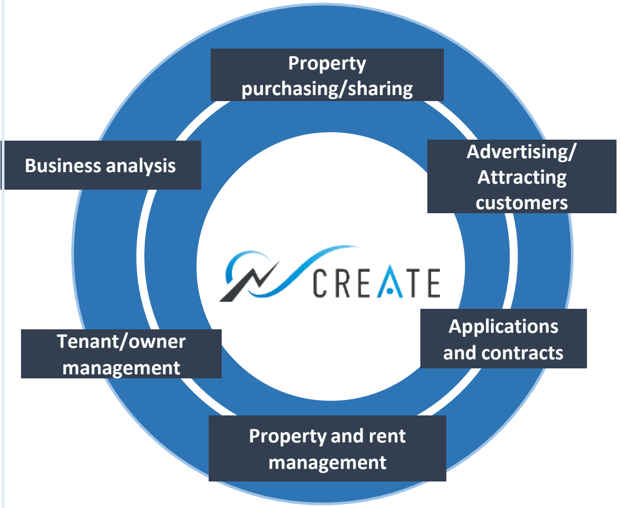
Summary of the Three-year Plan

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

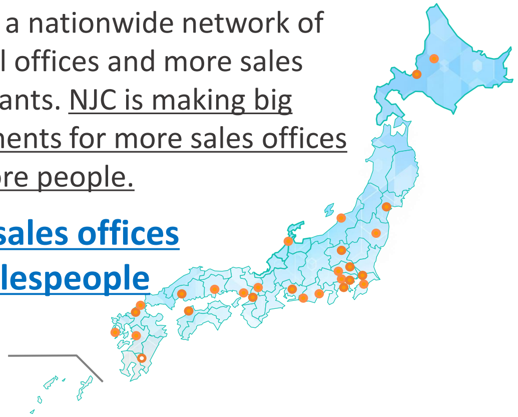
A platform encompassing all real estate business processes


Property purchasing/sharing
Advertising/ Attracting customers
Applications and contracts
Property and rent management
Tenant/owner management
Business analysis
CREATE

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. 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

Revised Three-year Plan

(Revised plan announced on Aug. 15, 2022 following the end of the three-year plan's first year in FY6/22)

Previous Three-year Plan

	FY6/22 plan	FY6/23 plan	FY6/24 plan
Net sales	¥3,080 million	¥3,900 million	¥5,000 million
Gross profit	¥450 million	¥850 million	¥1,560 million
EBITDA	¥580 million	¥980 million	¥1,700 million
Ordinary profit	¥490 million	¥920 million	¥1,600 million

New Three-year Plan (consolidated)

	FY6/22 results	FY6/23 plan	FY6/24 plan
Net sales	¥3,050 million	¥4,200 million	¥5,300 million
Gross profit	¥500 million	¥850 million	¥1,350 million
EBITDA	¥570 million	¥1,210 million	¥1,720 million
Ordinary profit	¥530 million	¥900 million	¥1,380 million

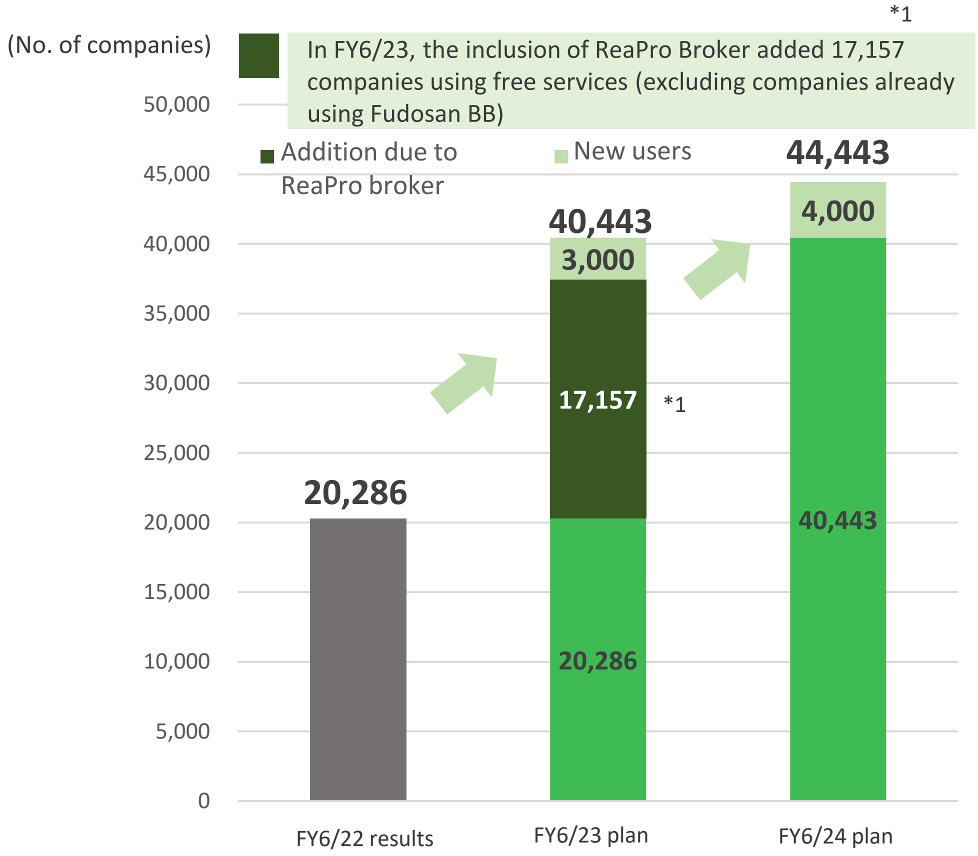
Highlights of the revised plan

- **FY6/23 and FY6/24 sales and earnings plans have been revised**
- **Increased sales due to the acquisition of RealNetPro and lowered FY6/24 earnings because of priority on investments for growth**
- **Goodwill resulting from the RealNetPro acquisition will be amortized over 10 years (about 150 million yen/year)**
- **Will continue expenditures for M&A and other actions as opportunities arise**

Key Performance Indicators of the Three-year Plan Update (As of end of FY6/22)

■ Users of free B-to-B services (Fudosan BB and ReaPro Broker)

Strong growth in relation to the plan due to the addition of ReaPro customers; now focusing on moving users to services with fees

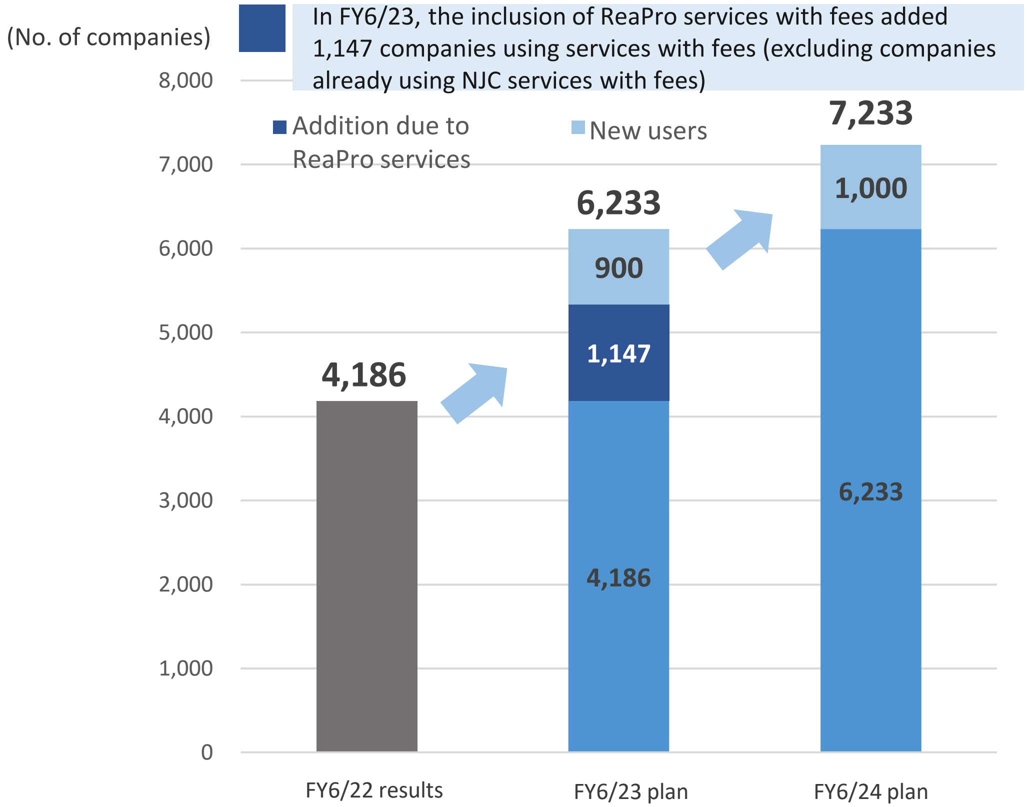


In FY6/23, the inclusion of ReaPro Broker added 17,157 companies using free services (excluding companies already using Fudosan BB) *1

Revision

■ Users of services provided for a fee

Note: Regarding the revision of previously disclosed information
In previous years, the number of users of services with a fee included customers using services that were purchased and generated no monthly fees. From now on, only the number of users of serves with a monthly fee will be used because this is believed to be a more accurate indicator of business operations. All services with fees that are currently sold have monthly fees.



In FY6/23, the inclusion of ReaPro services with fees added 1,147 companies using services with fees (excluding companies already using NJC services with fees)

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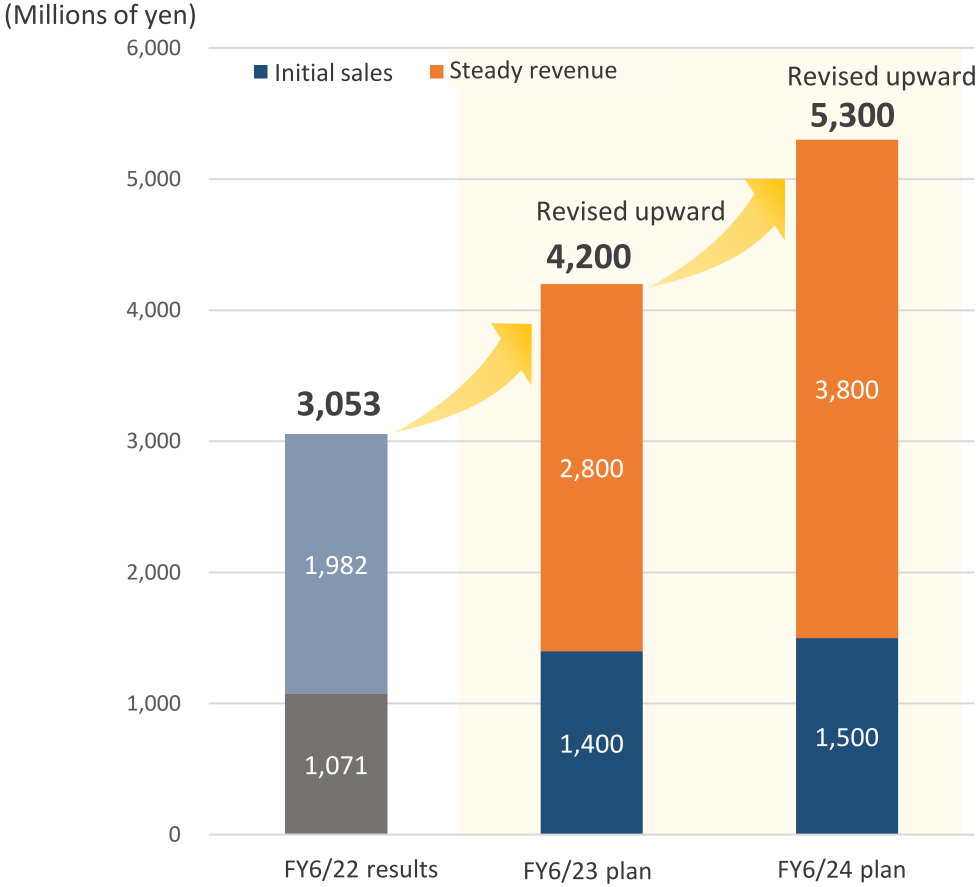
*1 In previous disclosure materials, there was an increase of 8,087 users due to the addition of the existing customers of ReaPro Broker (excluding businesses that were already using Fudosan BB too.) This increase changed following a follow-up examination of the combination of customer data and resulted in the official increase of 17,157.

Key Performance Indicators of the Three-year Plan Update (As of the end of FY6/22)

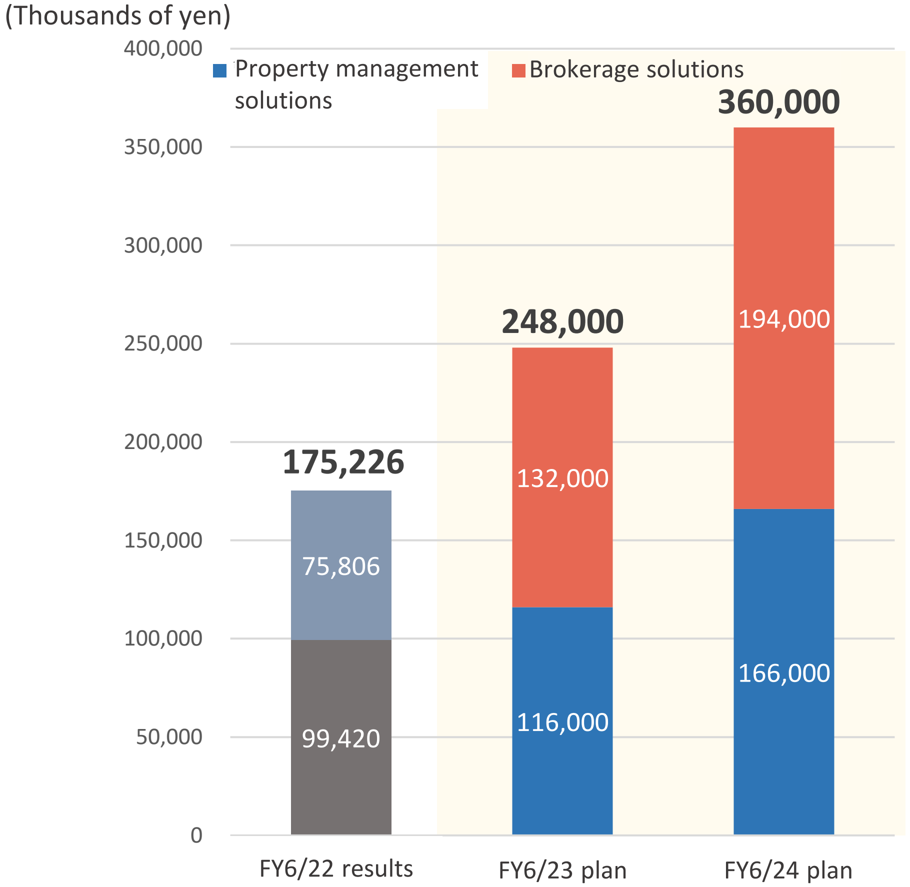
■ Sales plan

Projected growth by using a customer strategy supported by RealNetPro synergies and a more powerful sales infrastructure



■ Monthly recurring revenue plan

MRR is expected to increase due to upselling/cross-selling of brokerage and property management solutions

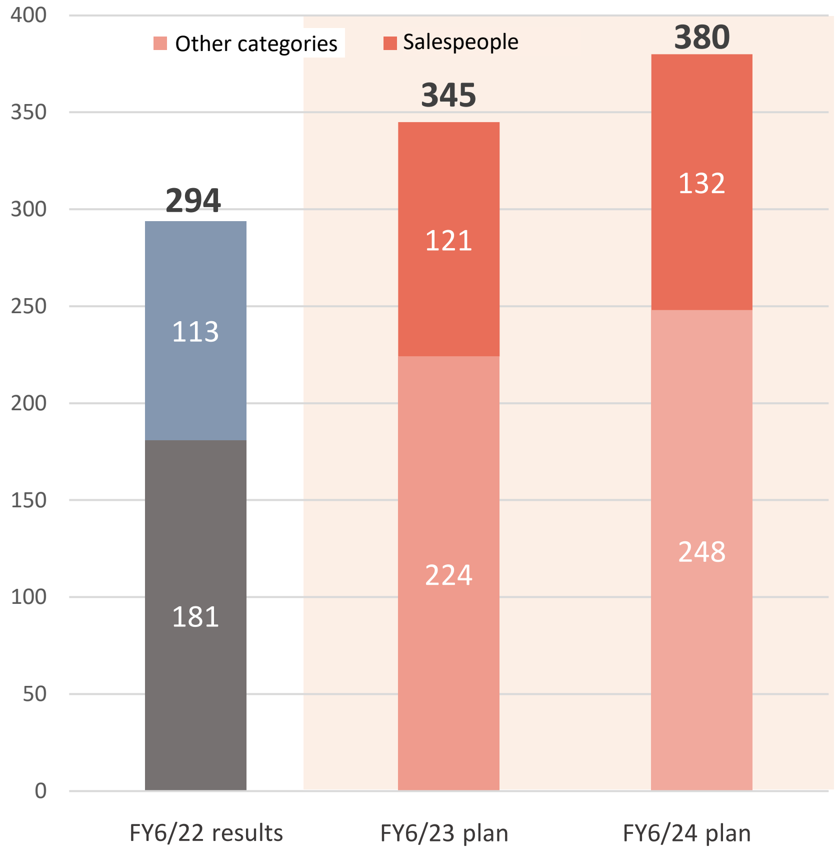


Key Performance Indicators of the Three-year Plan Update (As of end of FY6/22)

■ Employees (plan for salespeople)

Plan on an increasing number of salespeople due to the acquisition of RealNetPro and continuing expenditures for more growth

Number of employees



■ Highlights of the revised workforce plan

- No significant change in the workforce growth plan even after the acquisition of RealNetPro
- Continuing to hire salespeople to strengthen sales capabilities while upgrading the skills of younger employees currently in the sales team
- Plan to increase the number of engineers, system advisers, call center personnel and others in other categories as the growth of business operations continues

*System advisers are located at sales offices and have the primary duties of assisting customers use NJC services and visiting customers periodically. These advisers help ensure customer satisfaction, lower the cancelation rate and increase repurchases of products and services.

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

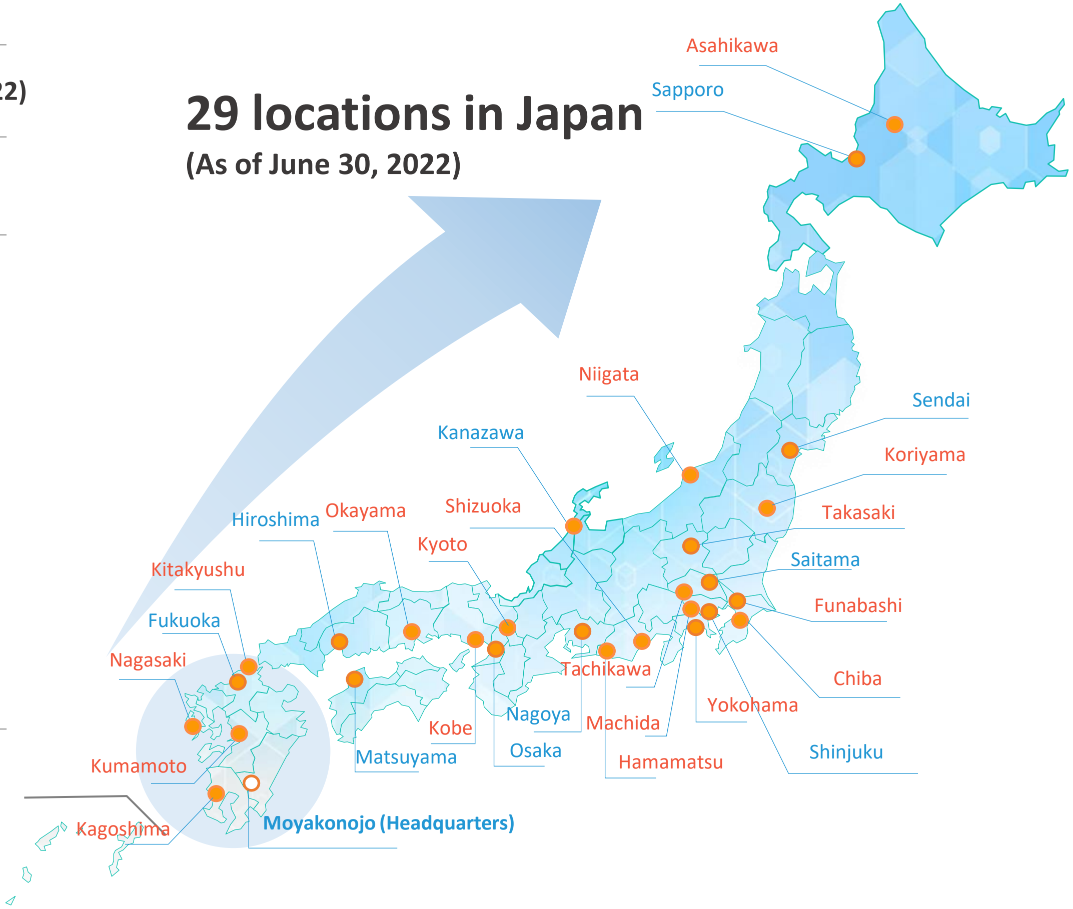
Company name	**Nihon Jyoho Create Co., Ltd.**
Establishment	**August 1994**
Location	**13-18 Kanmachi, Miyakonojo-shi, Miyazaki prefecture**
Number of employees	**319 including 294 full-time employees (As of June 30, 2022)**
Business activities	**Development and sales of application systems and services for real estate industry**
Executive officers	**Yonetsu Kenichi, Representative Director, President** **Maruta Hideaki, Director, Head of Development Dept** **Arai Atsushi, Director, Head of Sales Dept** **Senokuchi Naohiro, Director, Head of Administration Dept** **Umino Daisuke, Director, Chair of Audit & Supervisory Committee** **Miura Hiroshi, External Director, Audit & Supervisory Committee member** **Yamamoto Osamu, External Director, Audit & Supervisory Committee member**
Listed market	**Tokyo Stock Exchange (Growth) 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

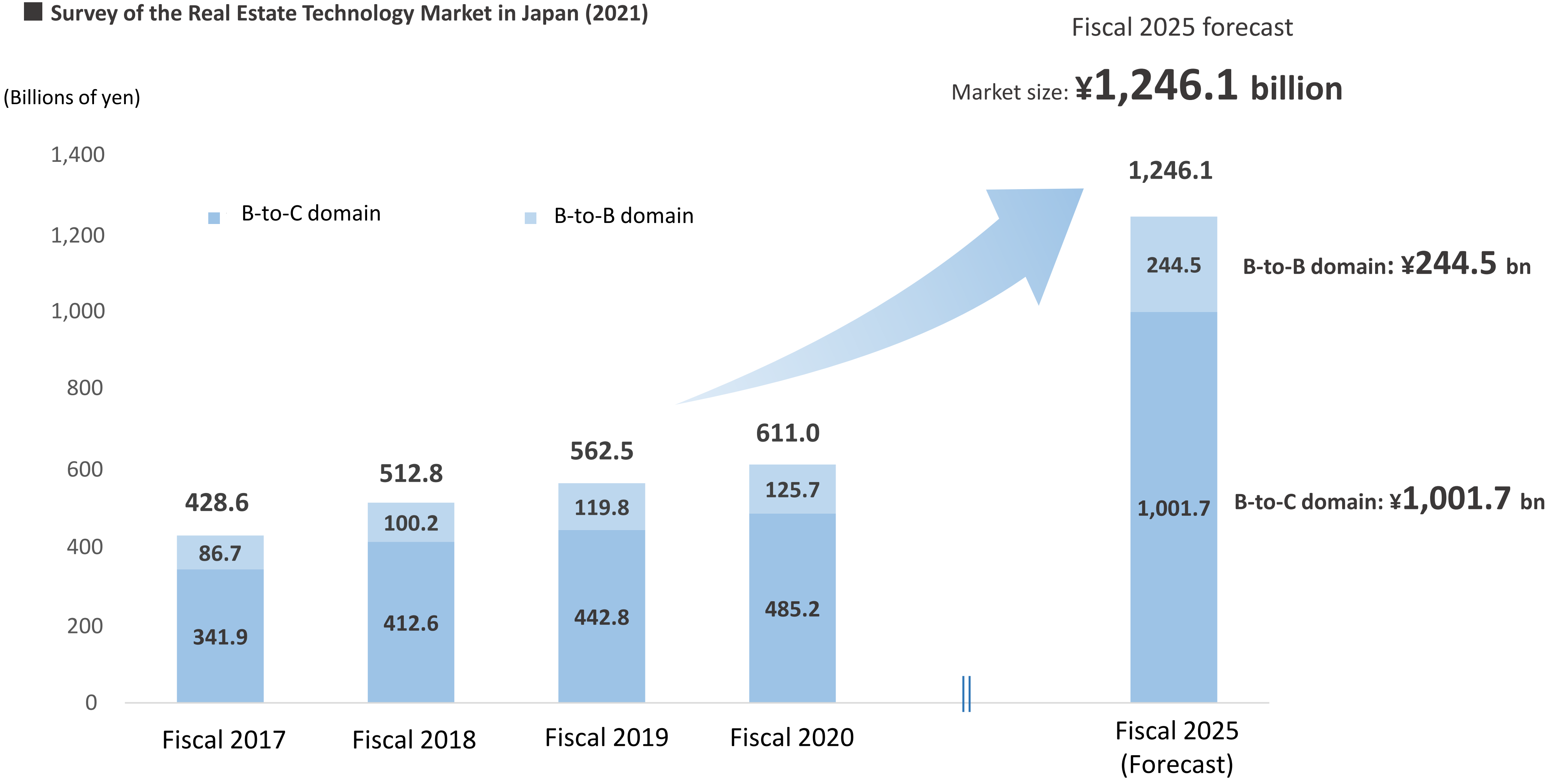
(As of June 30, 2022)


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

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

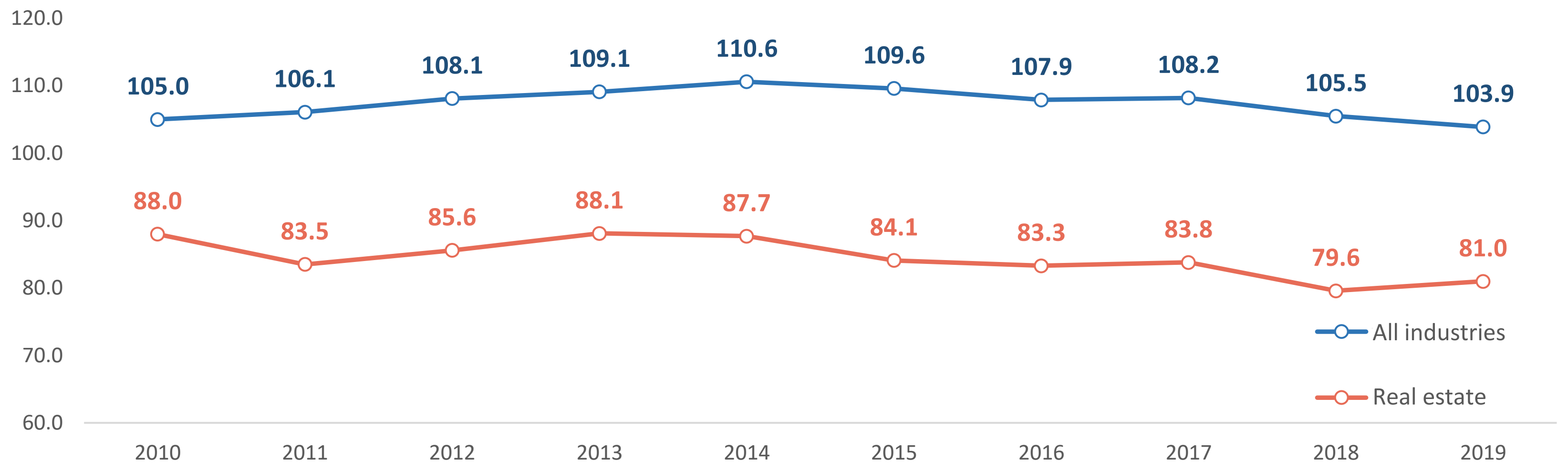
■ **Survey of the Real Estate Technology Market in Japan (2021)**



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

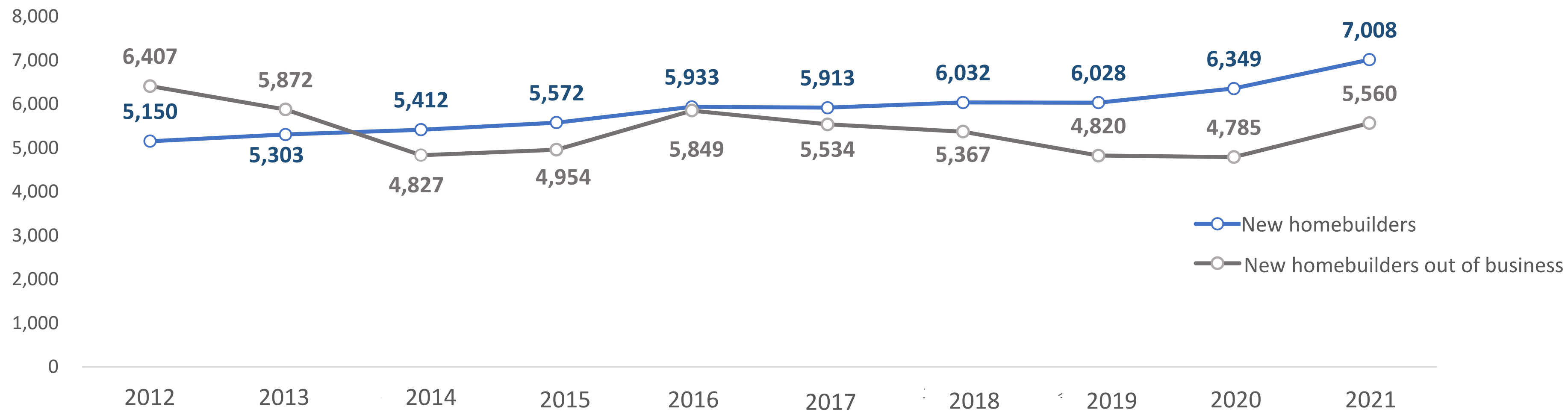
Real Estate Industry Labor Productivity and Number of Homebuilders

Labor productivity index



Source: Index (Year 2000=100) based on real GDP/Number of employees for real labor productivity, Survey for Economic Analysis of ICT in fiscal 2020 (2021), Ministry of Internal Affairs and Communications

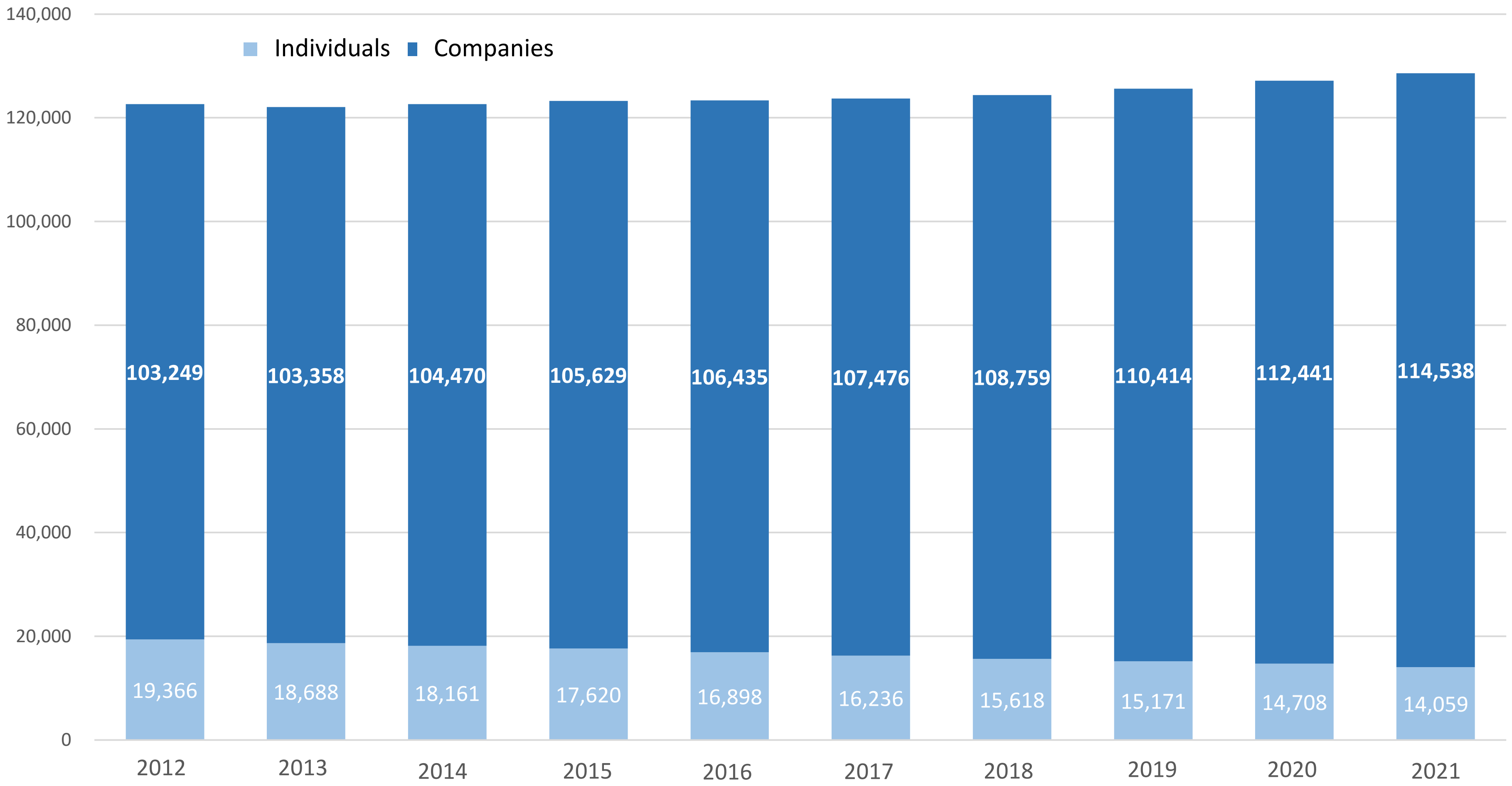
Change in number of homebuilders in Japan



Source: Statistics for Homebuilders and Residential Land and Building Transaction Brokers, end of fiscal 2021, Real Estate Transaction Improvement Organization and Number of Residential Land and Building Transaction Companies, Ministry of Land, Infrastructure, Transport and Tourism

Homebuilders in Japan

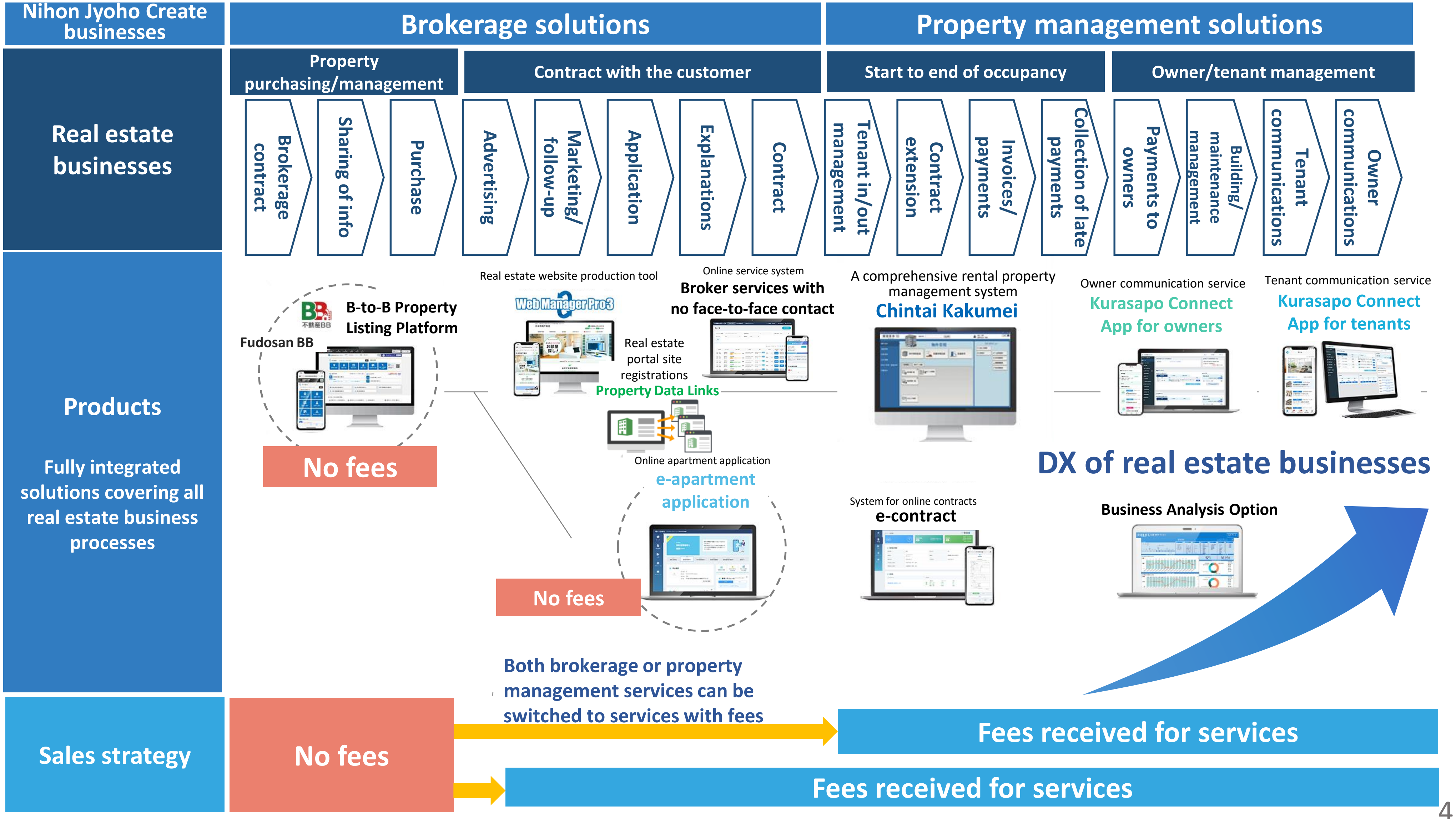
The number of homebuilders has increased slightly, remaining generally steady at about 120,000
The number of companies is increasing and the number of operations by individuals is decreasing



Source: Statistics for Homebuilders and Residential Land and Building Transaction Brokers, Homebuilders in Japan, end of fiscal 2021, Real Estate Transaction Improvement Organization

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.



Nihon Jyoho Create businesses

Brokerage solutions

Property management solutions

Real estate businesses

Property purchasing/management: Brokerage contract, Sharing of info, Purchase

Contract with the customer: Advertising, Marketing/follow-up, Application, Explanations, Contract

Start to end of occupancy: Tenant in/out management, Contract extension, Invoices/payments, Collection of late payments

Owner/tenant management: Payments to owners, Building/maintenance management, Tenant communications, Owner communications

Products

Fully integrated solutions covering all real estate business processes

Fudosan BB

B-to-B Property Listing Platform

No fees

Real estate website production tool

WebManagerPro3

Real estate portal site registrations

Property Data Links

Online service system

Broker services with no face-to-face contact

Online apartment application

e-apartment application

No fees

A comprehensive rental property management system

Chintai Kakumei

Owner communication service

Kurasapo Connect App for owners

Tenant communication service

Kurasapo Connect App for tenants

System for online contracts

e-contract

Business Analysis Option

DX of real estate businesses

Both brokerage or property management services can be switched to services with fees

Sales strategy

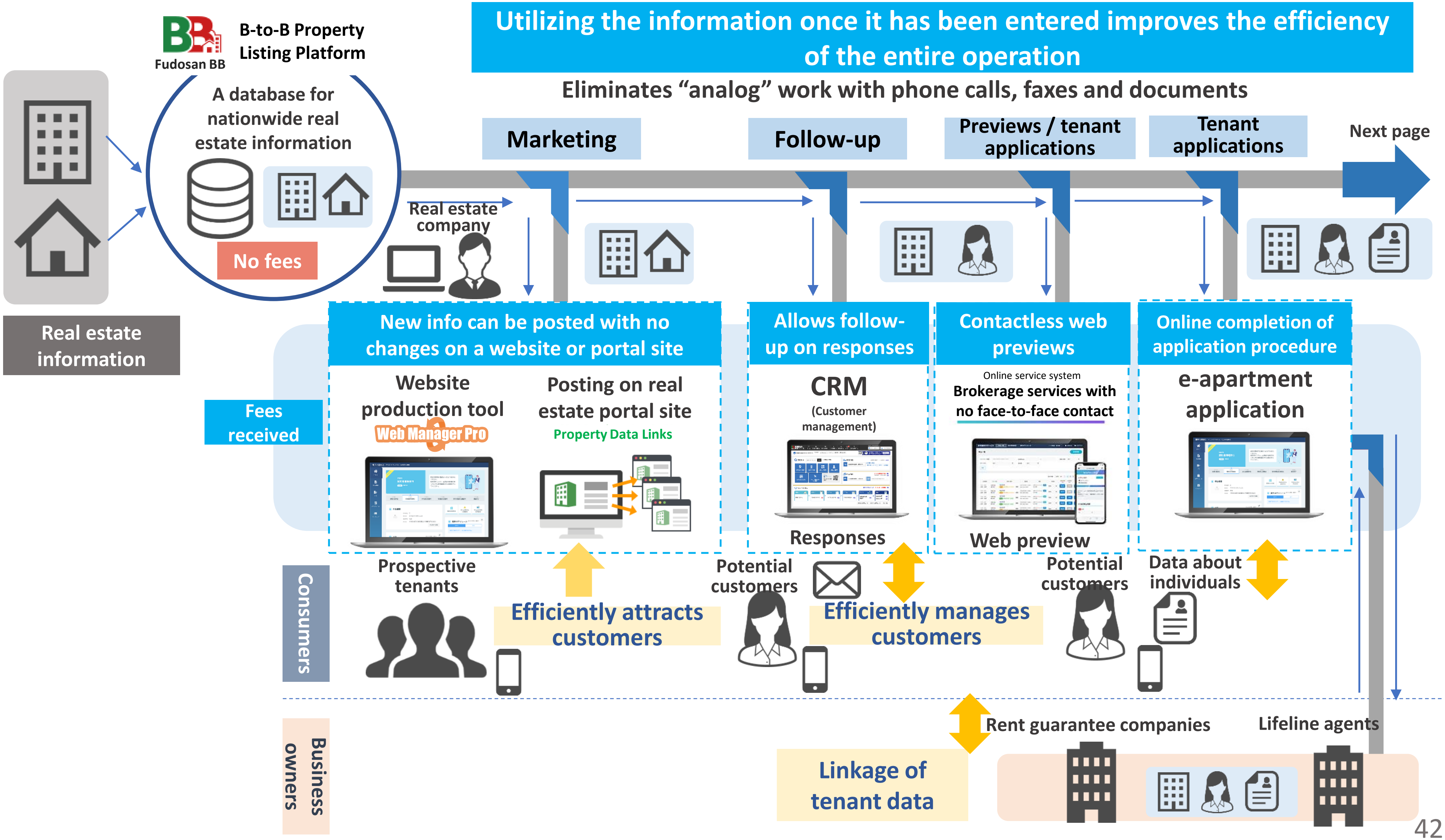
No fees

Fees received for services

Fees received for services

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

Fudosan BB

B-to-B Property Listing Platform

A database for nationwide real estate information

No fees

Real estate information

Marketing

Follow-up

Previews / tenant applications

Tenant applications

Next page

Real estate company

Fees received

New info can be posted with no changes on a website or portal site

Website production tool

Web Manager Pro

Posting on real estate portal site

Property Data Links

Allows follow-up on responses

CRM

(Customer management)

Responses

Contactless web previews

Online service system

Brokerage services with no face-to-face contact

Web preview

Online completion of application procedure

e-apartment application

Consumers

Prospective tenants

Efficiently attracts customers

Potential customers

Efficiently manages customers

Potential customers

Data about individuals

Business owners

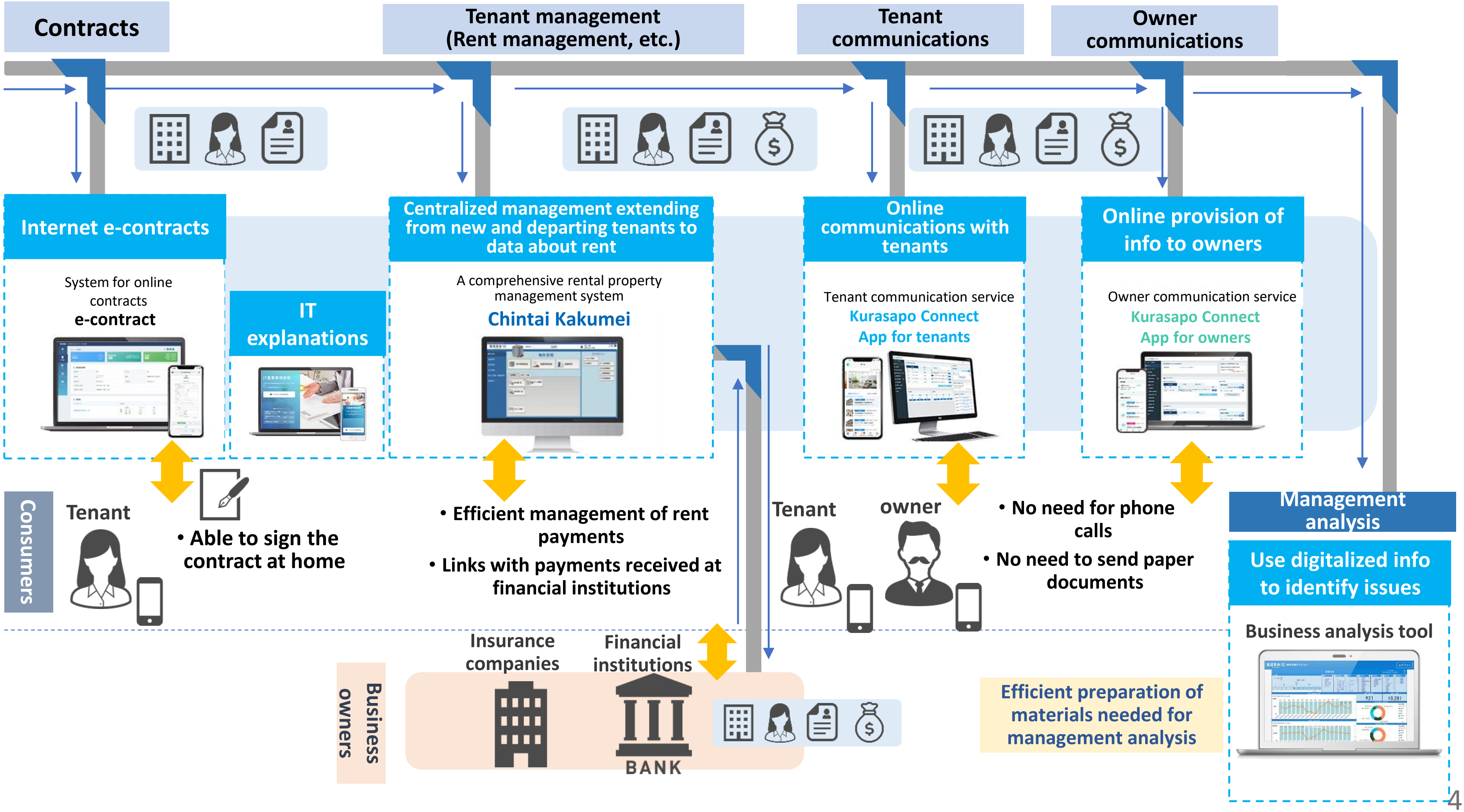
Rent guarantee companies

Lifeline agents

Linkage of tenant data

Use of Freemiums for Cross-selling and Upselling

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



Contracts

Tenant management (Rent management, etc.)

Tenant communications

Owner communications

Internet e-contracts

System for online contracts

e-contract

IT explanations

Centralized management extending from new and departing tenants to data about rent

A comprehensive rental property management system

Chintai Kakumei

Online communications with tenants

Tenant communication service

Kurasapo Connect App for tenants

Online provision of info to owners

Owner communication service

Kurasapo Connect App for owners

Management analysis

Use digitalized info to identify issues

Business analysis tool

Consumers

Tenant

- **Able to sign the contract at home**

- **Efficient management of rent payments**
- **Links with payments received at financial institutions**

Tenant

owner

- **No need for phone calls**
- **No need to send paper documents**

Efficient preparation of materials needed for management analysis

Business owners

Insurance companies

Financial institutions

Products and Services

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

Fudosan BB

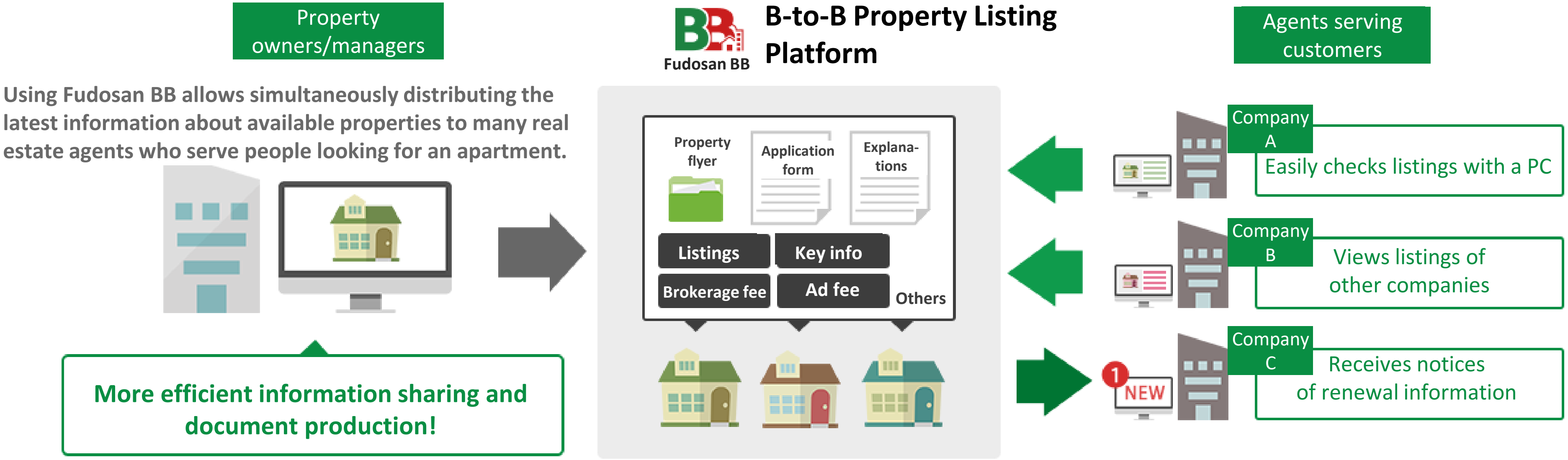
Fudosan BB

B-to-B Property Listing Platform

No fees

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

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



Property owners/managers

Using Fudosan BB allows simultaneously distributing the latest information about available properties to many real estate agents who serve people looking for an apartment.

More efficient information sharing and document production!

Fudosan BB

B-to-B Property Listing Platform

Agents serving customers

Company A: Easily checks listings with a PC

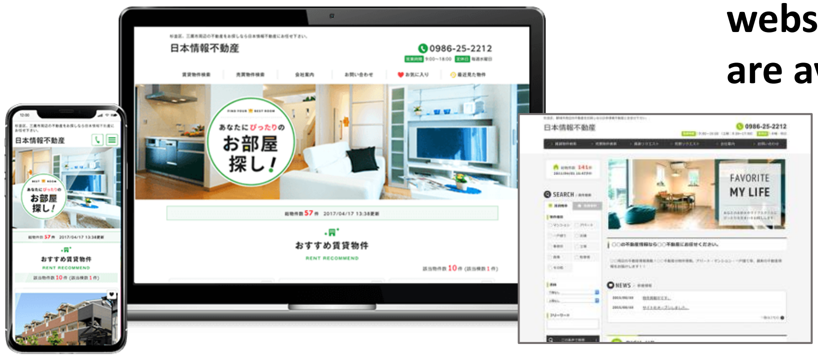
Company B: Views listings of other companies

Company C: Receives notices of renewal information

Products and Services

Real estate website production tool

WebManagerPro Series

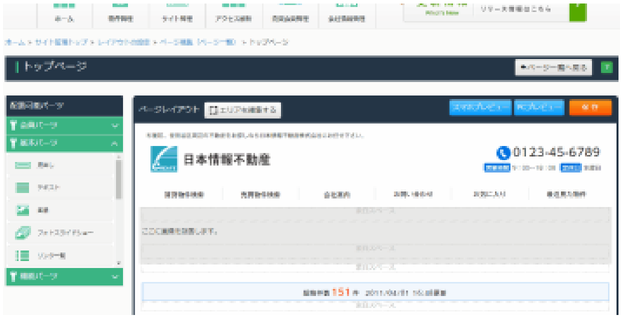


WebManagerPro was created specifically to produce real estate websites designed to attract more customers. Many templates are available for the simple production of original websites.

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

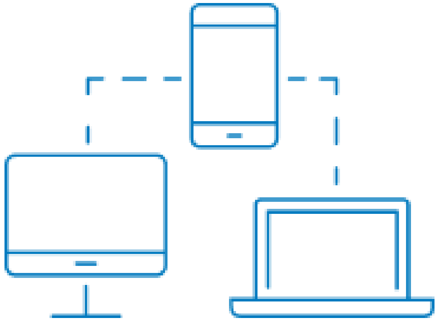
■ Drag-and-drop website production

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.



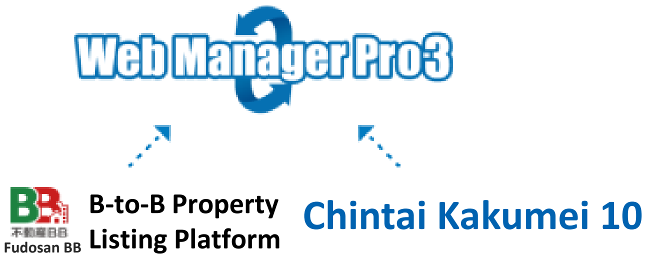
■ Allows simultaneous PC/Smartphone editing

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.



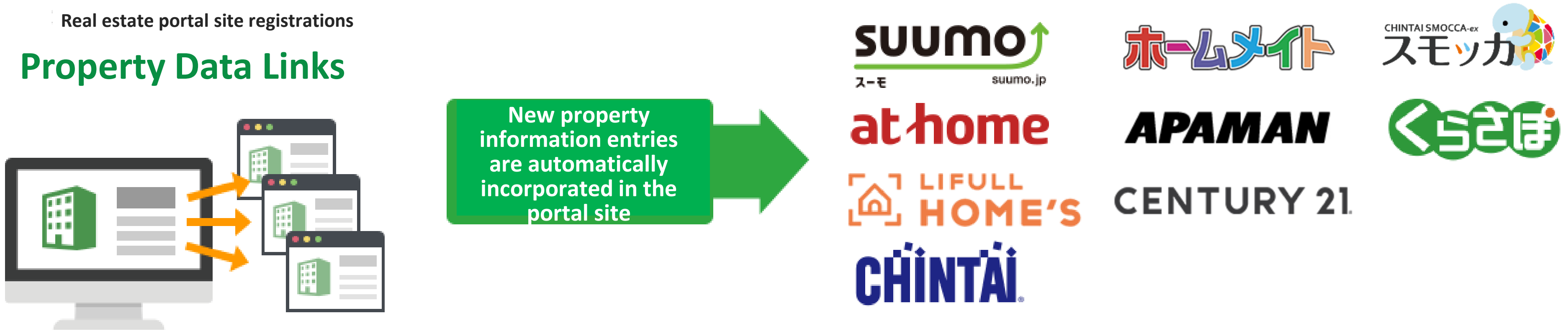
Web Manager Pro3

不動産BB Fudosan BB **B-to-B Property Listing Platform**

Chintai Kakumei 10

Products and Services

Real estate portal site registrations | **Property Data Links**


Real estate portal site registrations
Property Data Links
SUUMO
スーモ
suumo.jp
ホームメイト
CHINTAI SMOCCA-ex
スモッカ
at home
APAMAN
くらさぽ
LIFULL HOME'S
CENTURY 21
CHINTAI

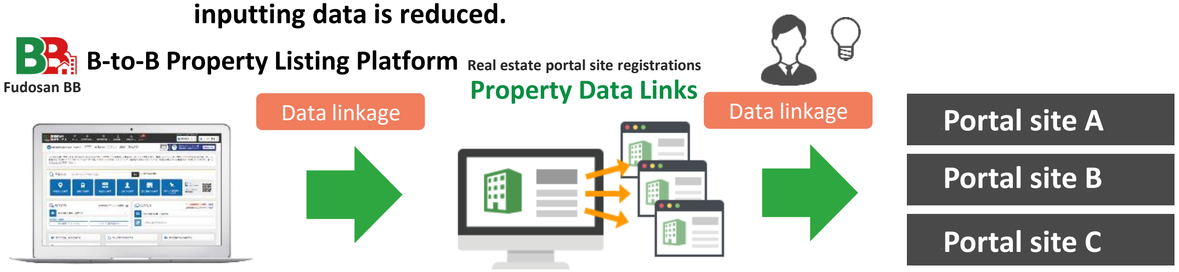
New property information entries are automatically incorporated in the portal site

■ 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.

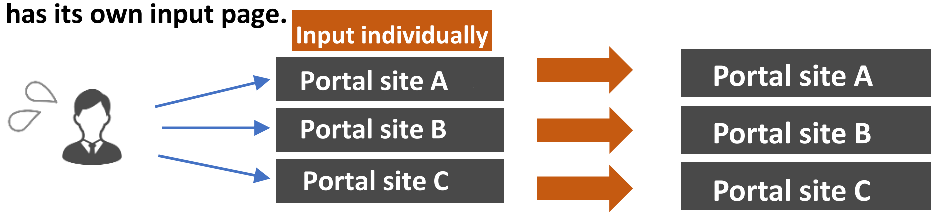
With Property Data Links

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.


Fudosan BB
B-to-B Property Listing Platform
Real estate portal site registrations
Property Data Links
Data linkage
Data linkage
Portal site A
Portal site B
Portal site C

Conventional method

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


Input individually
Portal site A
Portal site B
Portal site C
Portal site A
Portal site B
Portal site C

Products and Services

Online service system

Contactless brokerage services

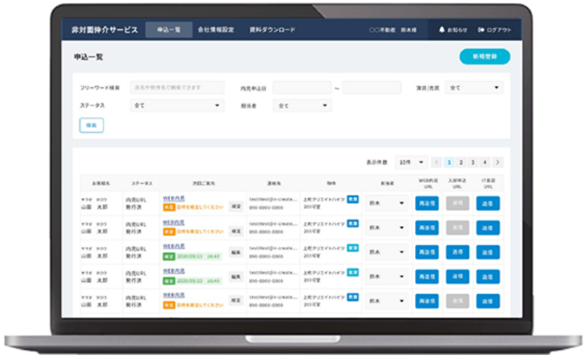
Use contactless brokerage services to attract customers

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.

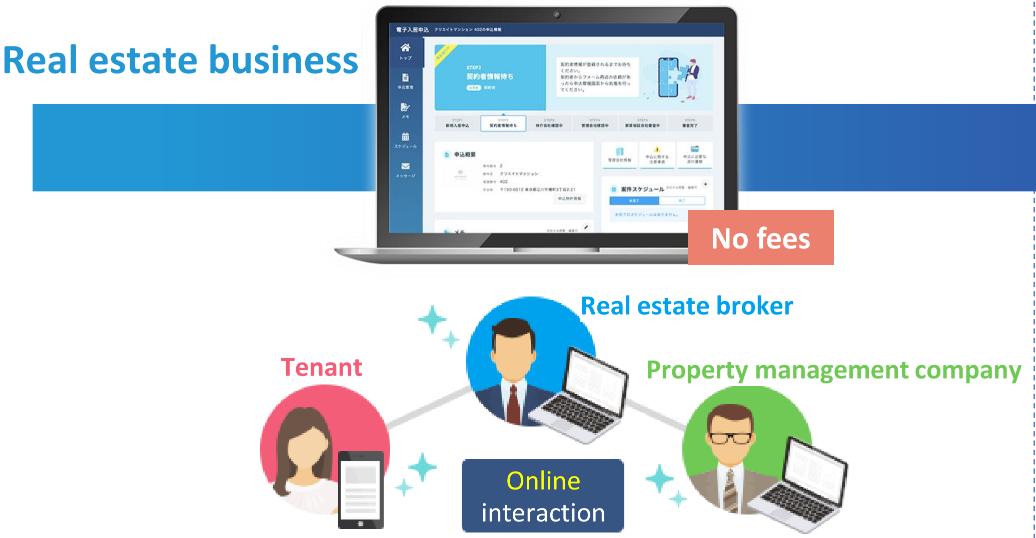


Products and Services

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

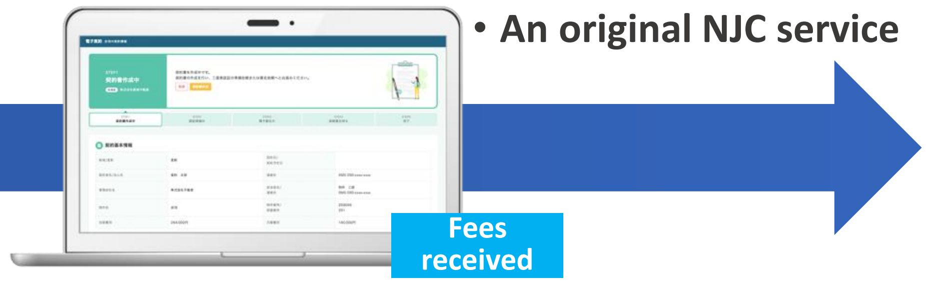
Electronic apartment application



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.

e-contract

- Started on Nov. 19, 2021
- An original NJC service



* Previously, Articles 35 and 37 of the Home Building Business Law require paper documents for new contracts. The personal seal requirement for new transactions was end by May 2022 with enactment of laws involving reforms for the use of digital technologies.

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.

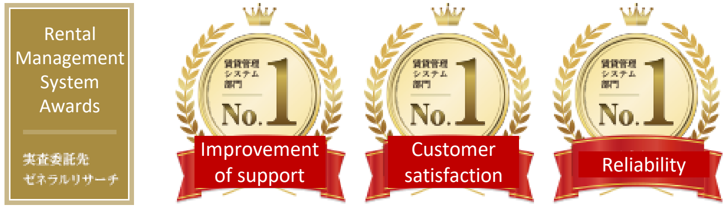
Products and Services

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


Rental Management System Awards
実査委託先
ゼネラルリサーチ
賃貸管理システム部門 No.1
Improvement of support
賃貸管理システム部門 No.1
Customer satisfaction
賃貸管理システム部門 No.1
Reliability

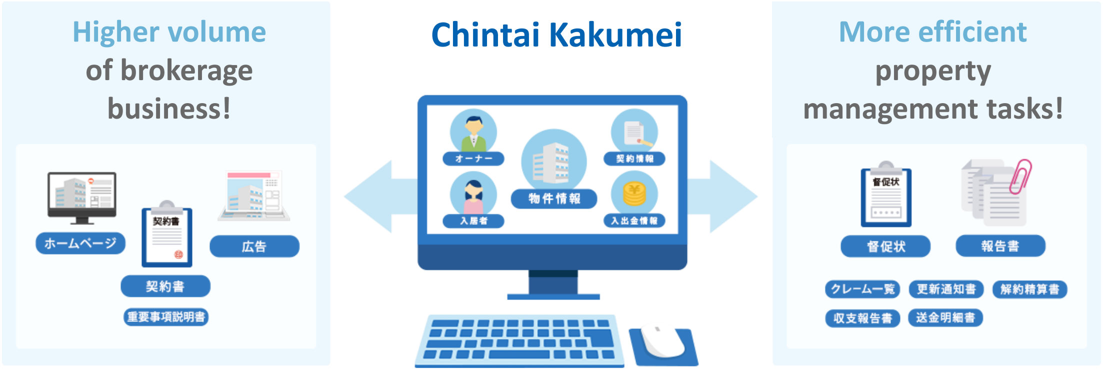
Survey
Based on perception of rental management systems of individuals nationwide between the ages of 20 and 59.
Date: May 2018
Method: Internet questionnaire

賃貸革命10
物件管理

■ 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.

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


Higher volume of brokerage business!

Chintai Kakumei

More efficient property management tasks!
ホームページ
契約書
広告
重要事項説明書
オーナー
物件情報
契約情報
入居者
入出金情報
督促状
報告書
クレーム一覧
更新通知書
解約精算書
収支報告書
送金明細書

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.

Competitive Superiority

Competitive Superiority

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

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

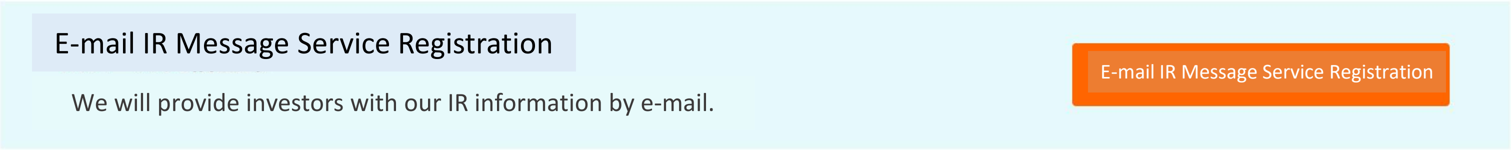
Nihon Jyoho Create has an e-mail IR message service to maintain strong lines of communication with investors.

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**

CREATE
日本情報クリエイト株式会社
Call toll-free for more information: 0120-965-458
Postal mail
Demonstration
Support
製品一覧
導入事例
事業内容
新着情報
導入について
お役立ち情報
企業・IR情報
IR情報
INVESTORS



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

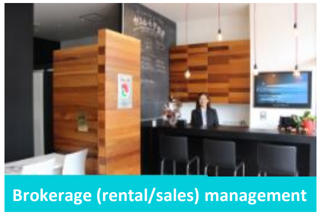
Rental management

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)

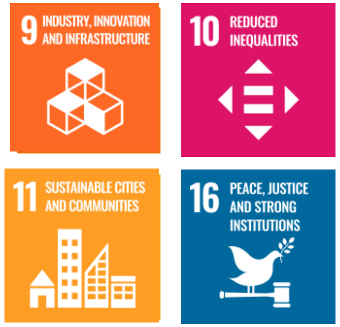
The corporate website includes information about activities that contribute to accomplishing the SDGs. We use our real estate support services for activities with our stakeholders for the creation of a sustainable society.

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.


9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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

SUSTAINABLE DEVELOPMENT GOALS
1 NO POVERTY
2 ZERO HUNGER
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND
16 PEACE, JUSTICE AND STRONG INSTITUTIONS
17 PARTNERSHIPS FOR THE GOALS

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.
- Information in this presentation about companies other than NJC is based on sources available to the public.
- 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!

CREATE

Nihon Jyoho Create Co., Ltd.