

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

- Reduction of FY Forecast and Activities for Growth -



Nihon Jyoho Create Co., Ltd.

February 14, 2023

President's Message

Nihon Jyoho Create announced a reduction in the fiscal year sales and earnings forecasts when results of operations for the first half were released. I am well aware that this revision has created concerns among shareholders and other stakeholders. Although our fiscal year outlook is now below our original plan, there were signs of a recovery in sales and earnings in the second quarter of this fiscal year. The reason is the gradual emergence of benefits of investments for growth in the previous fiscal year, primarily for a larger sales team, more sales offices, and M&A. Based on our current performance and outlook, we reexamined our plan and announced these new numbers for the fiscal year.

The real estate digital transformation (DX) market in Japan is expected to continue to grow for many more years. One reason is the increasing volume of capital expenditures involving IT at real estate companies due to Japan's declining working age population and chronic labor shortage. Growth will also be backed by the ability to use completely electronic procedures for real estate transactions due to the May 2022 enactment of the amended Building Lots and Building Transaction Business Act. We will continue to enlarge and upgrade our lineup of services to target the many opportunities created by this growing market. Our goal is to become a provider of platforms that further increase the speed of the real estate industry DX.

With our first half results, we also announced that we will repurchase stock. I look forward to discussions with shareholders and other investors about our plans and goals based on our determination to achieve more growth of our corporate value.



Yonetsu Kenichi, Representative Director, President

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Overview of NJC and Our Markets

- Dedicated to using real estate transactions as a source of happiness for society -



Mission

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

Vision

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

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 cancellation rates

0.5%

Average of monthly
cancellation rates

*As of June 2022

MRR

¥175 million

+16.1% YoY

*Based on FY6/22 results

*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

For Property management

Brokerage solutions

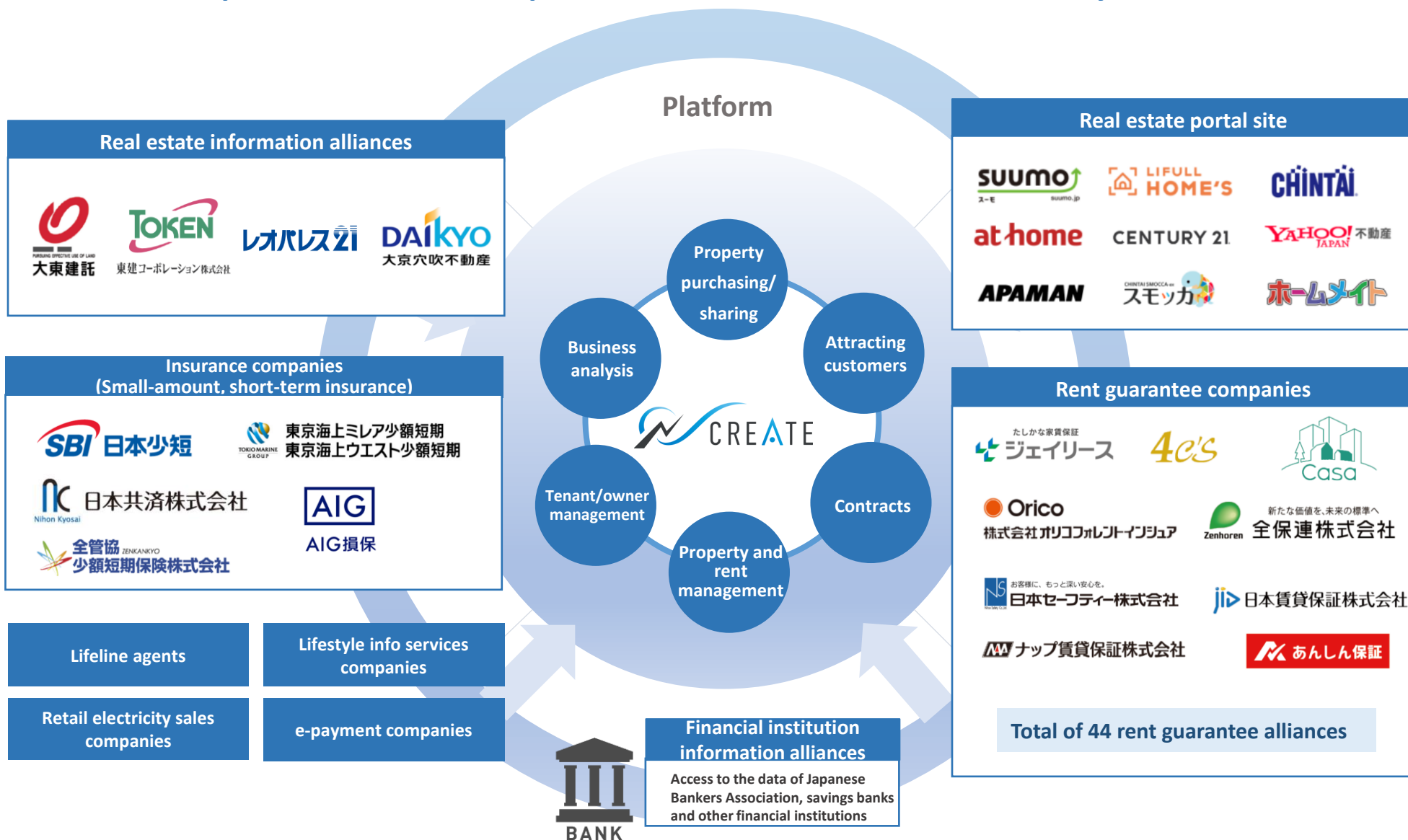
Property management solutions

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 |
|--|--|--|--|--|---|
| <p>Data sharing for real estate companies</p> <p>Digitalization of the sharing of property info among real estate companies and of real estate purchasing procedures</p> <p>Fudosan BB 不動産BB</p> <p>No fees</p> <p>ReaPro</p> | <p>Sales/follow-up support</p> <p>Support for using websites to attract customers and for placing listings on major portal sites</p> <p>Website production tool</p> <p>Web Manager Pro3</p> <p>Real estate portal site registrations</p> <p>Property Data Links</p> <p>CRM Customer management</p> | <p>Contract support services</p> <p>Support for online real estate transactions, allowing use of smartphones for every step from applications to explanations and signing contracts</p> <p>Online apartment application</p> <p>e-apartment application</p> <p>No fees</p> <p>IT explanations</p> <p>System for online contracts</p> <p>e-contract</p> | <p>Rental management support</p> <p>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</p> <p>A comprehensive rental property management system</p> <p>Chintai Kakumei</p> <p>Rental management system ranking (number of users) No.1 *1</p> <p>*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)</p> | <p>Support for communications</p> <p>A dedicated smartphone app for sound and efficient communications between property owners and tenants; also helps prevent problems</p> <p>Owner communication service</p> <p>Kurasapo Connect App for owners</p> <p>Communication service with tenants</p> <p>Kurasapo Connect App for tenants</p> | <p>Support for business analysis</p> <p>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.</p> <p>Automatic production tool for Business analysis Report</p> <p>Chintai Kakumei 10 Business analysis option</p> |

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



The Real Estate Market

The needs of companies and customers in the real estate market are changing as concerns about an economic downturn increase. At the same time, IT expenditures and other components of the real estate DX market are growing as real estate companies cope with the structural problems of a falling working age population and chronic labor shortage.

| | Sources of growth | Summary |
|---|--|--|
| Real estate DX market | <ul style="list-style-type: none"> Higher demand due to amended laws Higher demand for raising productivity | <ul style="list-style-type: none"> Start of electronic real estate transactions in May 2022 due to amendments to the Home Building Business Law Changing needs in the real estate DX market for the post-pandemic era Companies reducing capital investments and other expenditures due to growing concerns about the economy but rising demand for measures to improve productivity |
| Labor shortage in the real estate industry | <ul style="list-style-type: none"> Rising pct. of older employees Chronic labor shortage More real estate companies | <ul style="list-style-type: none"> About half of real estate sector employees are at least 60 years old (Source: Real Estate Business Vision 2030, Ministry of Land, Infrastructure, Transport and Tourism) Resignations exceed new hires by about 3,000 in the real estate and rental/leasing sectors (Source: 2021 Employment Trend Survey, Ministry of Health, Labour and Welfare) The number of real estate companies is increasing steadily with more than 6,000 companies entering this business sector every year (Source: Residential and Building Transaction Businesses, end of 2021, Real Estate Transaction Improvement Organization) |
| Rising interest rates | <ul style="list-style-type: none"> Minor effect on NJC May have a positive effect on the rental market | <ul style="list-style-type: none"> Although real estate prices are expected to decrease, the negative effect of this decline will probably be minor for the small/midsize rental property managers and brokers that are the main users of NJC's services If the negative effect of higher interest rates on mortgages increases, the rental category may become a larger share of the real estate market |

Downward Revisions of the FY6/23 Forecast and Three-year Plan

* In conjunction with the management plan revisions, updated information about the business plan and growth potential are expected to be announced in the middle of March.

FY6/23 Revised Forecast | Summary

- Revised forecast downward after reviewing the effects of investments and the timing of acceleration of earnings growth, and plan to increase sales by 22.8% YoY.

| (Millions of yen) | FY6/22 Results | FY6/23 Initial forecast | FY6/23 Revised forecast | Change | FY6/23 forecast vs. FY6/22 results | Explanation |
|---|----------------|-------------------------|-------------------------|--------|------------------------------------|---|
| Net sales | 3,053 | 4,200 | 3,750 | -450 | +22.8% | Record-high sales but lower forecast because of issues involving some new sales and sales to existing customers |
| Gross profit | 2,261 | 2,949 | 2,520 | -429 | +11.5% | |
| Gross profit margin | 74.0% | 70.2% | 67.4% | - | -6.6% | |
| Operating profit | 500 | 850 | 300 | -550 | -20.0% | Sales growth was unable to offset higher personnel expenses caused by hiring more salespeople |
| Operating margin | 16.4% | 20.2% | 8.0% | - | -8.4pt | |
| EBITDA | 572 | 1,214 | 610 | +38 | +6.6% | |
| Ordinary profit | 538 | 903 | 350 | -553 | -34.9% | |
| Profit attributable to owners of parent | 283 | 593 | 230 | -363 | -18.7% | |

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

Initial plan

| | FY6/22 results | FY6/23 plan | FY6/24 plan |
|------------------|----------------|----------------|----------------|
| Net sales | ¥3,050 million | ¥4,200 million | ¥5,300 million |
| Operating 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 |

Revised plan

| | FY6/22 results | FY6/23 plan | FY6/24 plan |
|------------------|----------------|----------------|----------------|
| Net sales | ¥3,050 million | ¥3,750 million | ¥4,300 million |
| Operating profit | ¥500 million | ¥300 million | ¥700 million |
| EBITDA | ¥570 million | ¥610 million | ¥1,030 million |
| Ordinary profit | ¥530 million | ¥350 million | ¥720 million |

About the revised plan

- FY6/23 and FY6/24 sales and earnings plans have been revised downwardly
- Although sales and earnings include the newly acquired RealNetPro beginning in FY6/23, the forecasts were lowered because of the delay in the emergence of benefits of investments for growth made in FY6/22 (more salespeople and more sales offices).
- Due to the completion of the plan for adding more salespeople, the downturn in earnings is expected to end in FY6/23. However, FY6/24 forecasts are lower too because of the outlook for the continuation of delays in some of the benefits of investments for growth.

Forecast Revisions | Key Performance Indicators

- Although the number of customers using free services continues to increase, the plan was revised due to the slow pace of converting users to services with fees.

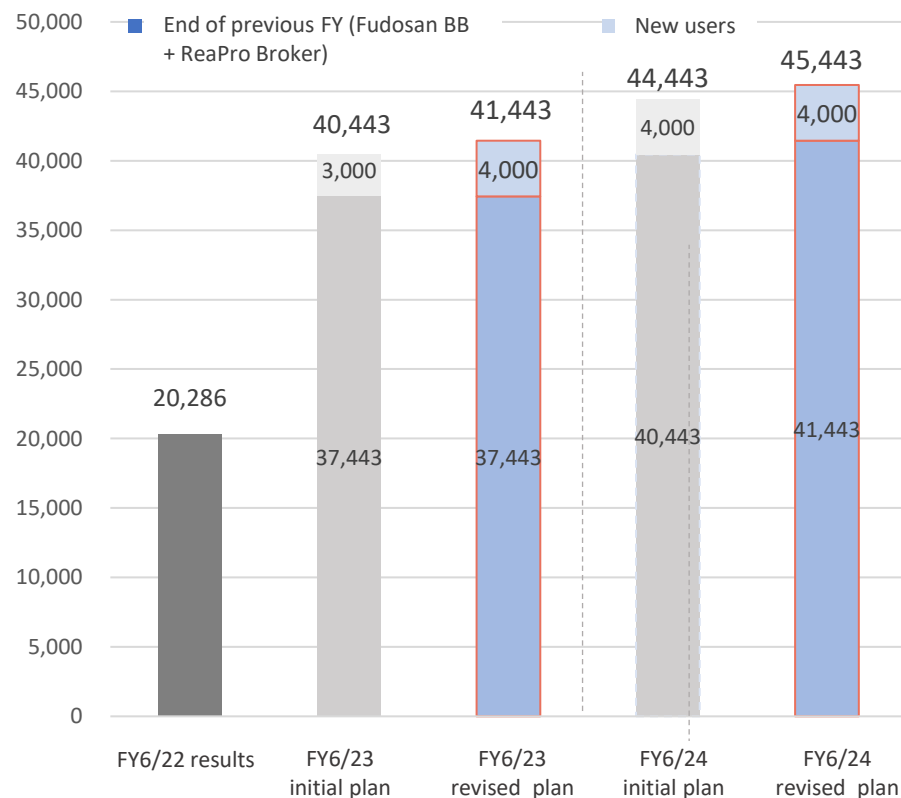
Users of free B-to-B services (Fudosan BB and ReaPro Broker)

Now: More free service users because of more customer contact resulting from a larger salesforce
 Goal: Continue increasing free service users while focusing on conversions to services with fees

Users of services provided for a fee

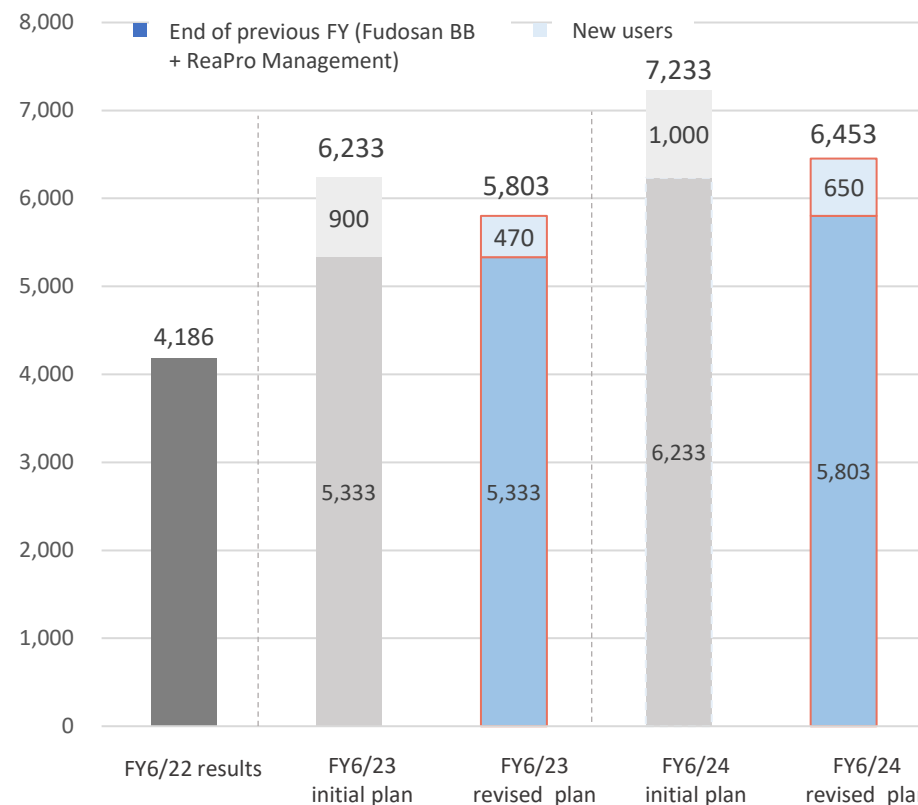
Now: Delays in making fee service sales activities more productive
 Goal: Continue training newly hired salespeople and aim for steady growth, although at a pace below the initial plan

(No. of companies)



*The 17,157 companies (excluding ones that also use Fudosan BB) of ReaPro Broker (free), which was acquired by NJC, were added to the number of free service users at the beginning of FY6/23.

(No. of companies)



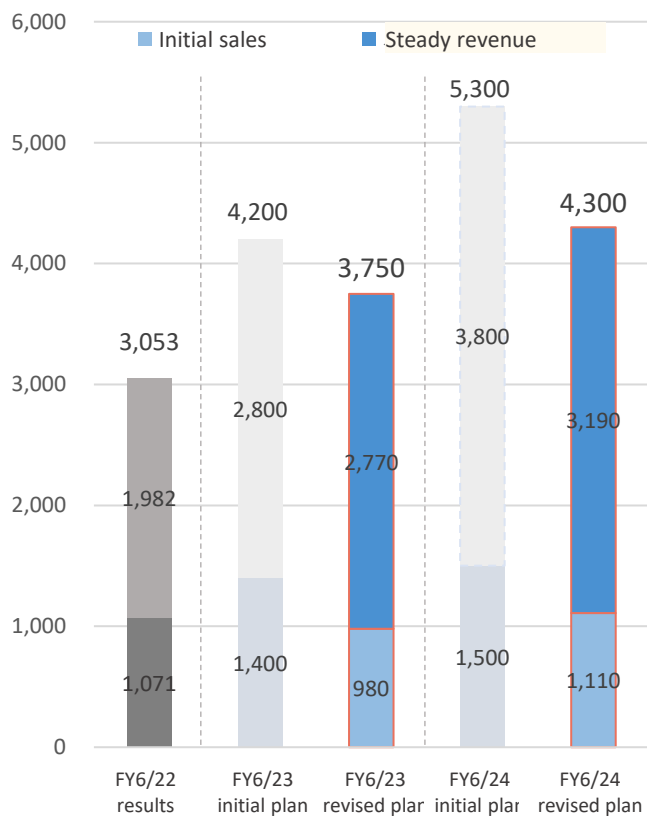
* The 1,147 companies (excluding ones that also use an NJC service) of ReaPro Management (with a fee), which was acquired by NJC, were added to the number of users of services with fees at the beginning of FY6/23

Forecast Revisions | Key Performance Indicators

■ Sales plan (Initial VS. Steady revenue)

Now: Slow pace of initial sales due to delay in making new salespeople productive
 Goal: Revised plan based on outlook for strong initial sales growth in FY6/24. Forecast consistent growth of steady revenue due to a low cancellation rate.

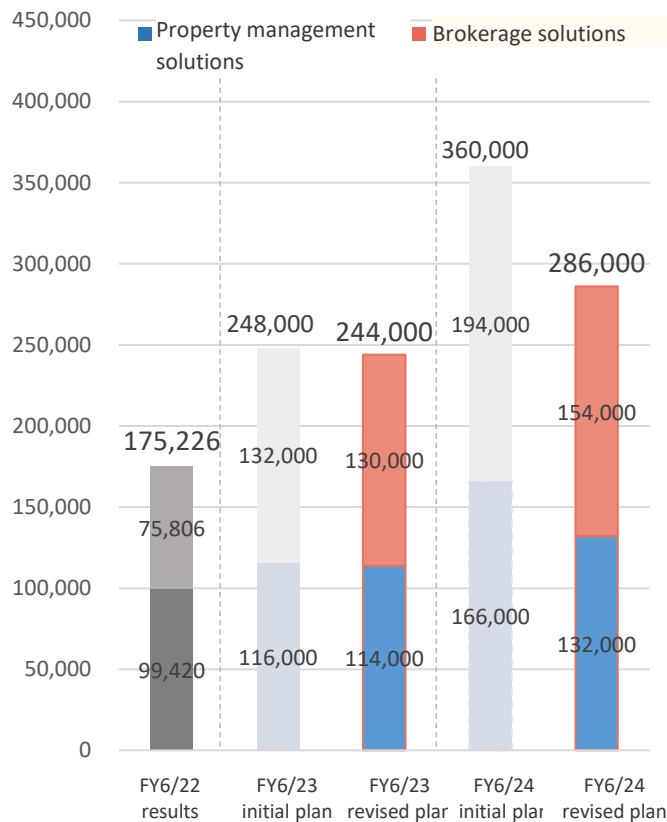
(Millions of yen)



■ Monthly recurring revenue plan

Now: Revenue below plan due to delay in adding new business
 Goal: Parts of the plan have been pushed back but still aiming for medium-term growth

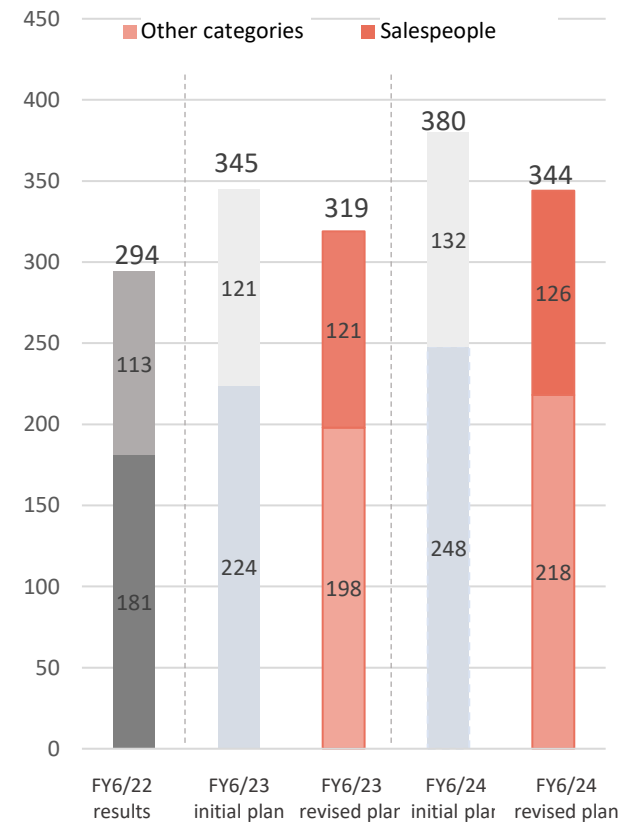
(Thousands of yen)



■ Employees (plan for salespeople)

*Number of full-time employees

Now: Progress is slower than initially planned
 Goal: Slow down recruiting and place priority on improving productivity



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

Actions for Returning to Growth in FY6/23 and the Following Years

Many activities are planned to resume growth as Japan's real estate DX market continues to expand.

Management

Raise the pace of growth while continuing to use capital efficiently along with measures to boost profitability and making expenditures for **training programs, upgrading product development skills, and M&A.**

Sales team

Reexamine sales strategies for customer segments and product segments by strengthening the analytic team for the redesign of these strategies. Use joint activities with external partners for sharing knowledge with the goal of improving profitability even faster while cutting costs.

Product development

Redesign product development steps to give teams a sense of ownership of each project. Start using a role system (roles for product development) and replace the former group framework with project teams.

Training programs

Revise the **employee evaluation system** by the end of FY6/23 for **the creation of a new system** for the growth of people and organizational units. Another priority is management training, leadership training and key personnel training for **the operation of self-reliant organizations.**

1H FY6/23 Financial Results

- Earnings down as record-high sales did not offset higher SG&A expenses -

1H Financial Highlights

First half sales up 17.7% with record-high 2Q sales but operating profit fell 65.4% due to delays in generating returns to recover investments for growth

| (Millions of yen) | 1H FY6/22 results | 1H FY6/23 (Consolidated) results | YoY change | Explanation |
|--|-------------------|----------------------------------|------------|--|
| Net sales | 1,509 | 1,776 | +17.7% | Higher sales due to RealNetPro, which was acquired in FY6/22; NJC's sales increased slowly |
| Brokerage solutions | 450 | 738 | +64.0% | Higher brokerage solutions sales due to strong sales growth at NJC and the inclusion of the sales of RealNetPro |
| Property management solutions | 1,040 | 1,018 | -2.1% | Decrease in initial sales because of a smaller number of new customers and resales to current customers |
| Gross profit | 1,125 | 1,189 | +5.6% | Higher cloud expenses due to the yen's depreciation and higher development expenses due to outsourcing expenses and other items |
| Gross profit margin | 74.6% | 66.9% | -7.7pt | |
| Operating profit | 368 | 127 | -65.4% | Down because of higher SG&A expenses caused by more sales offices and salespeople, and amortization of goodwill and sales that were below the plan |
| Operating margin | 24.4% | 7.2% | -17.2pt | |
| EBITDA | 379 | 279 | -26.4% | |
| Ordinary profit | 405 | 176 | -56.5% | |
| Profit attributable to owners of parent | 281 | 107 | -61.9% | |

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.

1H Financial Highlights | Quarterly

Sales up 8.0% QoQ as sales and earnings begin to recover slowly

| (Millions of yen) | FY6/22 result | | | | FY6/23 (Consolidated) results | | Explanation |
|--|---------------|-------|-------|------|-------------------------------|------------|--|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | |
| Net sales | 743 | 765 | 688 | 856 | 853 | 922 | Signs of a recovery are emerging with sales up 8.0% QoQ as benefits of programs to make new salespeople productive gradually begin to appear. |
| Brokerage solutions | 220 | 230 | 232 | 246 | 359 | 379 | Higher sales because of the inclusion of sales of RealNetPro and strong sales growth at NJC |
| Property management solutions | 515 | 525 | 446 | 599 | 485 | 533 | Initial sales decreased YoY but total sales were up QoQ as steady revenue growth offset a decline in initial sales. |
| Operating profit | 176 | 191 | 81 | 51 | 45 | 82 | SG&A expenses increased starting in 3Q FY6/22 because of salesforce growth. Operating profit is starting to recover because of QoQ sales growth. |
| Operating margin | 23.8% | 25.0% | 11.9% | 6.0% | 5.3% | 8.9% | |
| Ordinary profit | 214 | 190 | 82 | 50 | 96 | 80 | |
| Profit attributable to owners of parent | 149 | 132 | 57 | -55 | 52 | 80 | |

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.

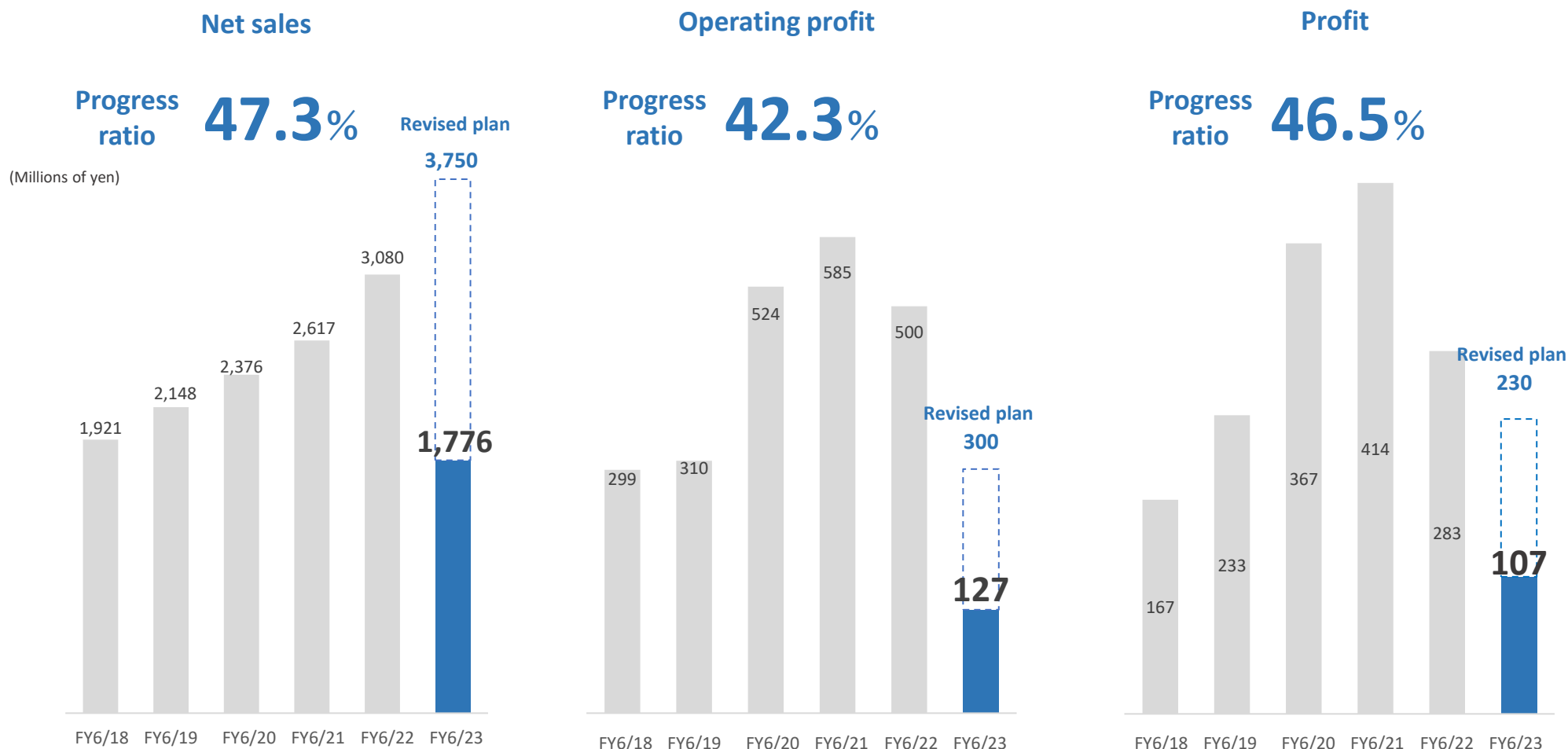
1H Financial Highlights | Progress vs. Business Plan (Consolidated)

Net sales

At **47.3%** of the revised FY6/23 plan, 1H sales are in line with the plan for the 29th consecutive year of record sales in FY6/23.

Operating profit

42.3% of the revised FY6/23 plan as the recovery of investments for growth is going slowly and sales growth did not cover the increase in personnel expenses



1H Financial Highlights | Cancellation Rate and Steady Revenue (Consolidated)

Steady revenue:

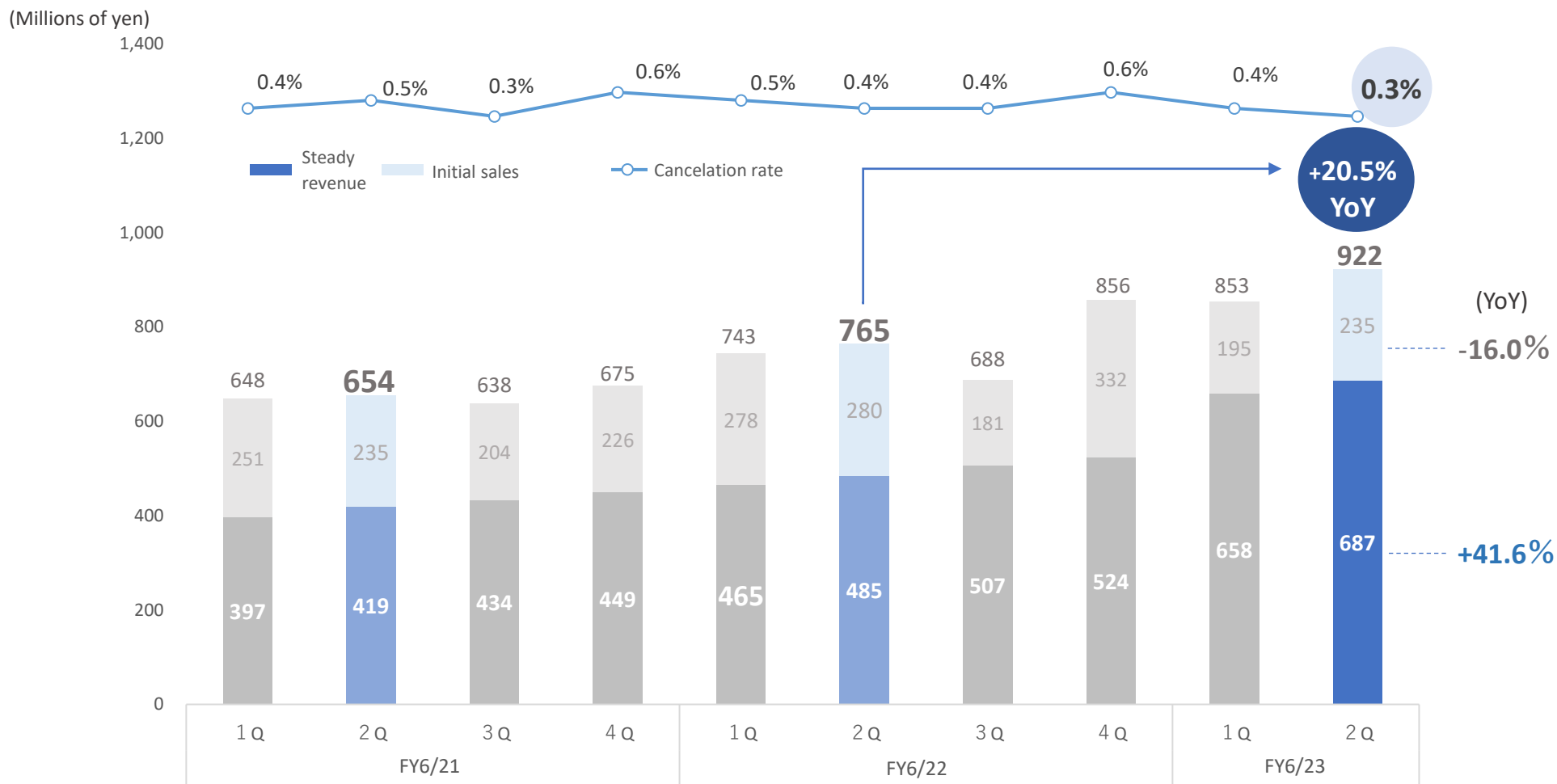
Increased due to solid organic growth backed by a consistently low cancellation rate and to the inclusion of RealNetPro

Initial sales:

Initial sales began recovering QoQ but were down YoY because of lower new sales and resales in the property solutions business.

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

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



Components of Change in Operating Profit

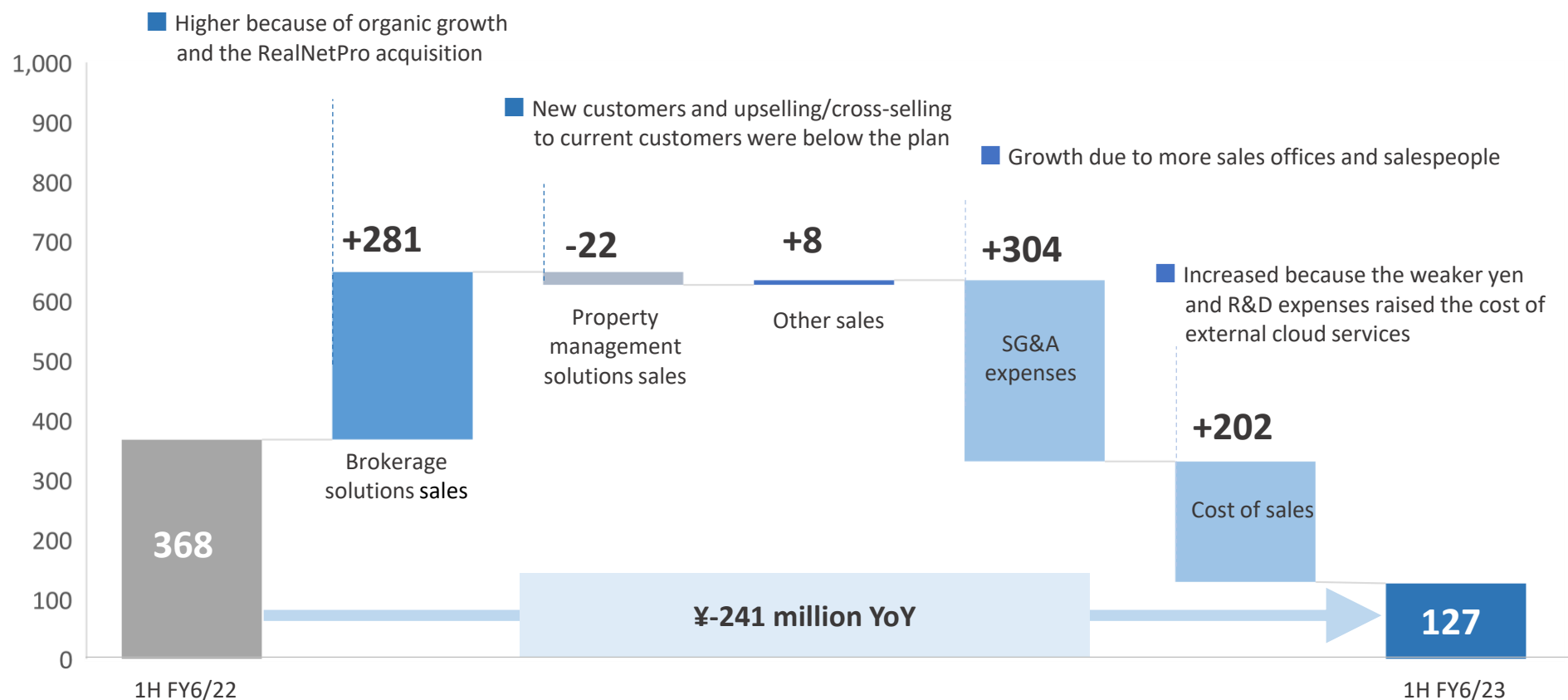
Net sales

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 and decreases in new customers and resales.

Higher SG&A expenses/ cost of sales]

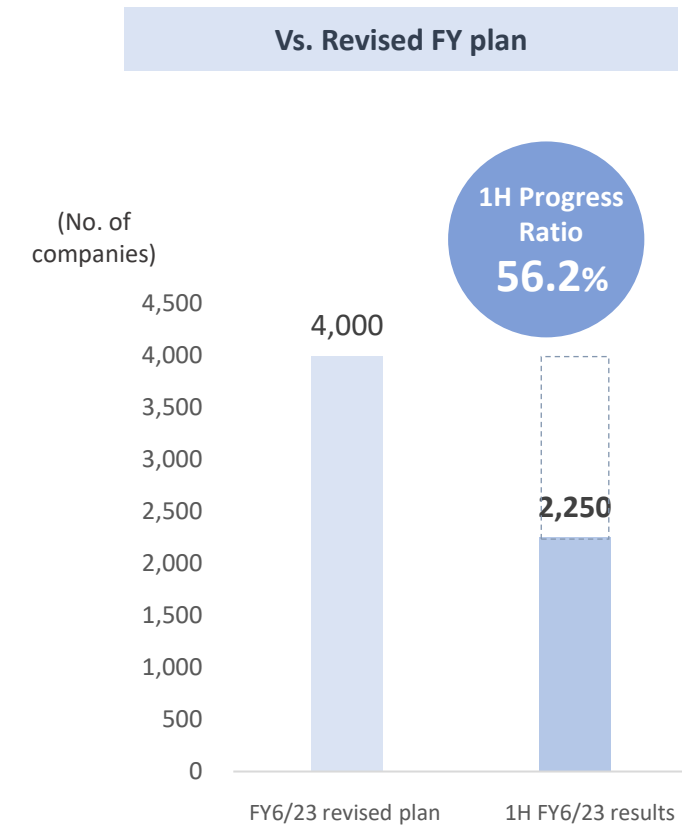
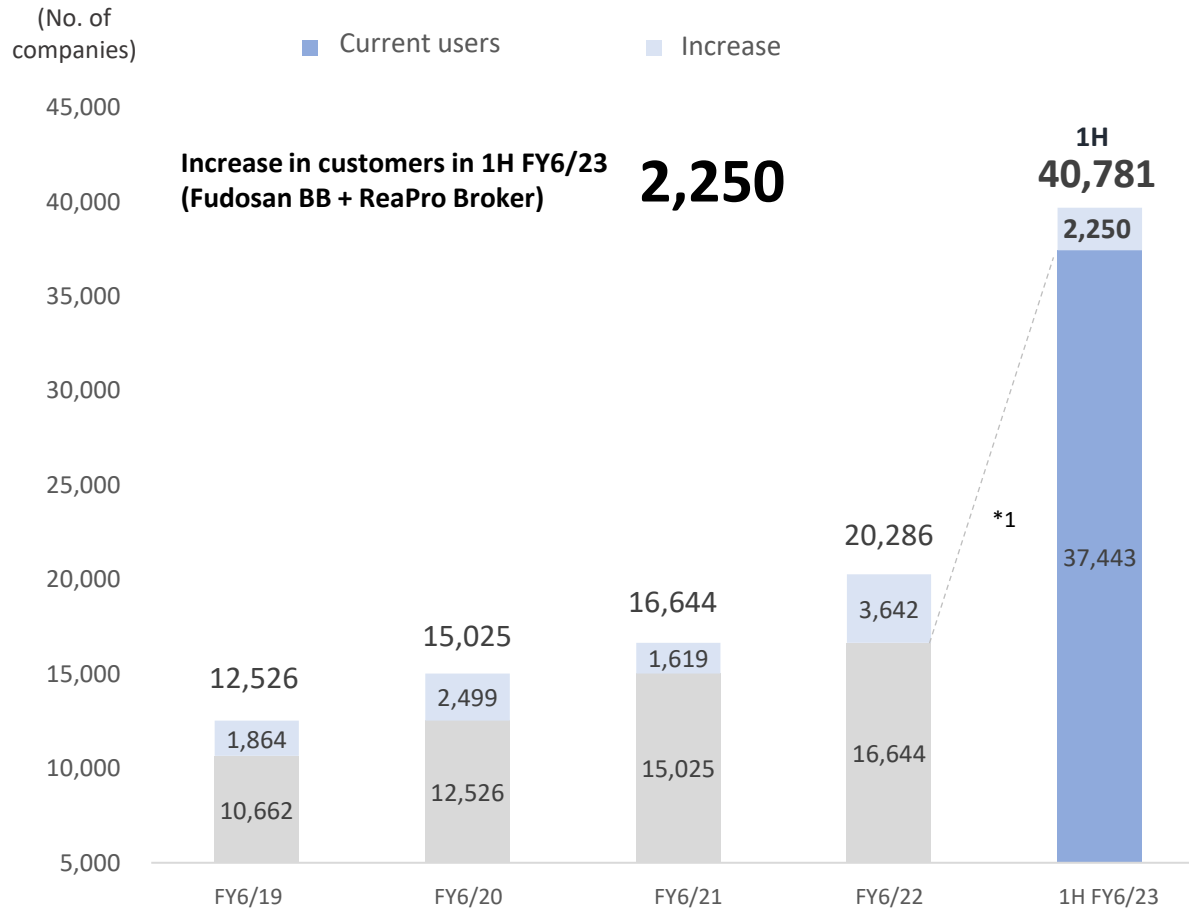
SG&A expenses increased because of the additional salespeople hired during FY6/22, and R&D expenses and the weaker yen raised external cloud service expenses.

(Millions of yen)



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

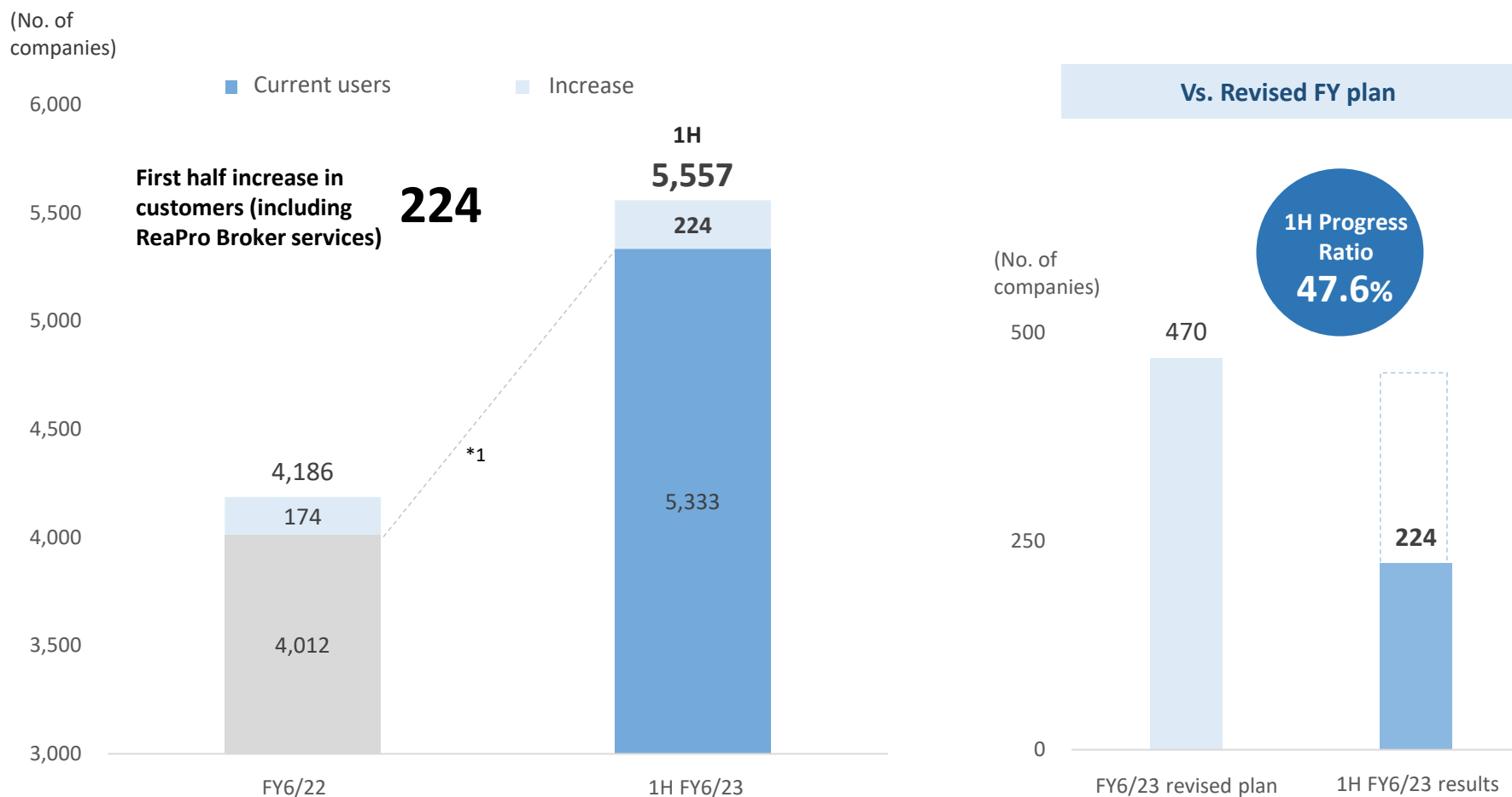
Steady increase in the number of businesses using the free Fudosan BB property listing platform to establish a customer base in accordance with the freemium strategy. Activities continue to attract more customers in order to capture a larger share of this market.



*1: The increase in the number of current users at the beginning of FY6/23 is the result of adding the 17,157 users (excluding ones that also use Fudosan BB) of ReaPro Broker (free), which was acquired by NJC, to the 20,286 users of NJC free services as of the end of FY6/22.

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

The 1H increase was larger than the FY6/22 increase because of the inclusion of ReaPro Broker service customers for the first time. The number of new customers is 47.6% of the FY6/23 plan. Aiming for faster growth by continuing to upgrade the skills of salespeople hired during FY6/22.



*1: The increase in the number of current users at the beginning of FY6/23 is the result of adding the 1,147 users (excluding ones that also use an NJC service with a fee) of ReaPro Management (with a fee), which was acquired by NJC, to the 4,186 users of NJC services with a fee as of the end of FY6/22.

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

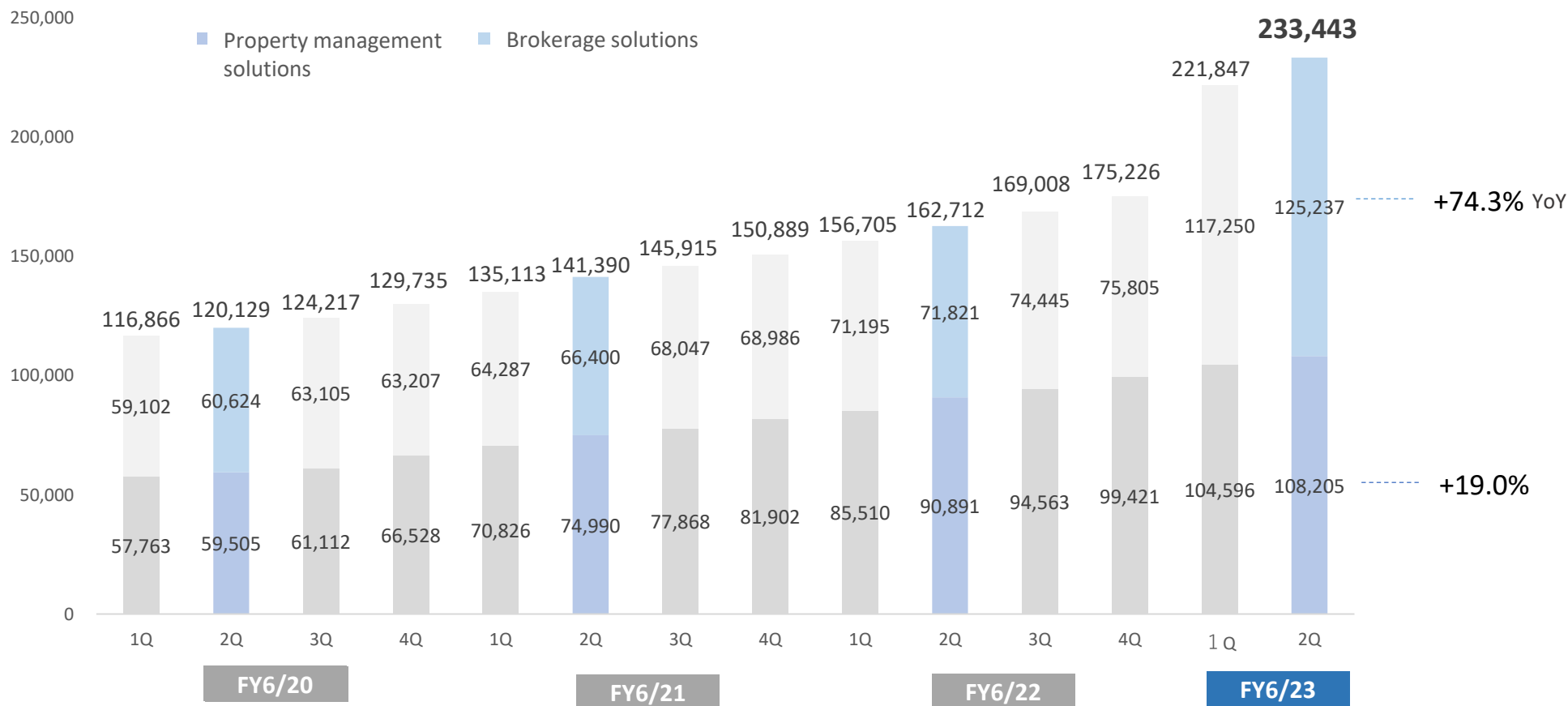
Property Management Solutions

MRR was **up 19.0%** YoY because of increasing monthly fee income from the core Chintai Kakumei service.

Brokerage Solutions

MRR was **up 74.3 %** YoY including the addition of ReaPro fee income due to the acquisition of RealNetPro.

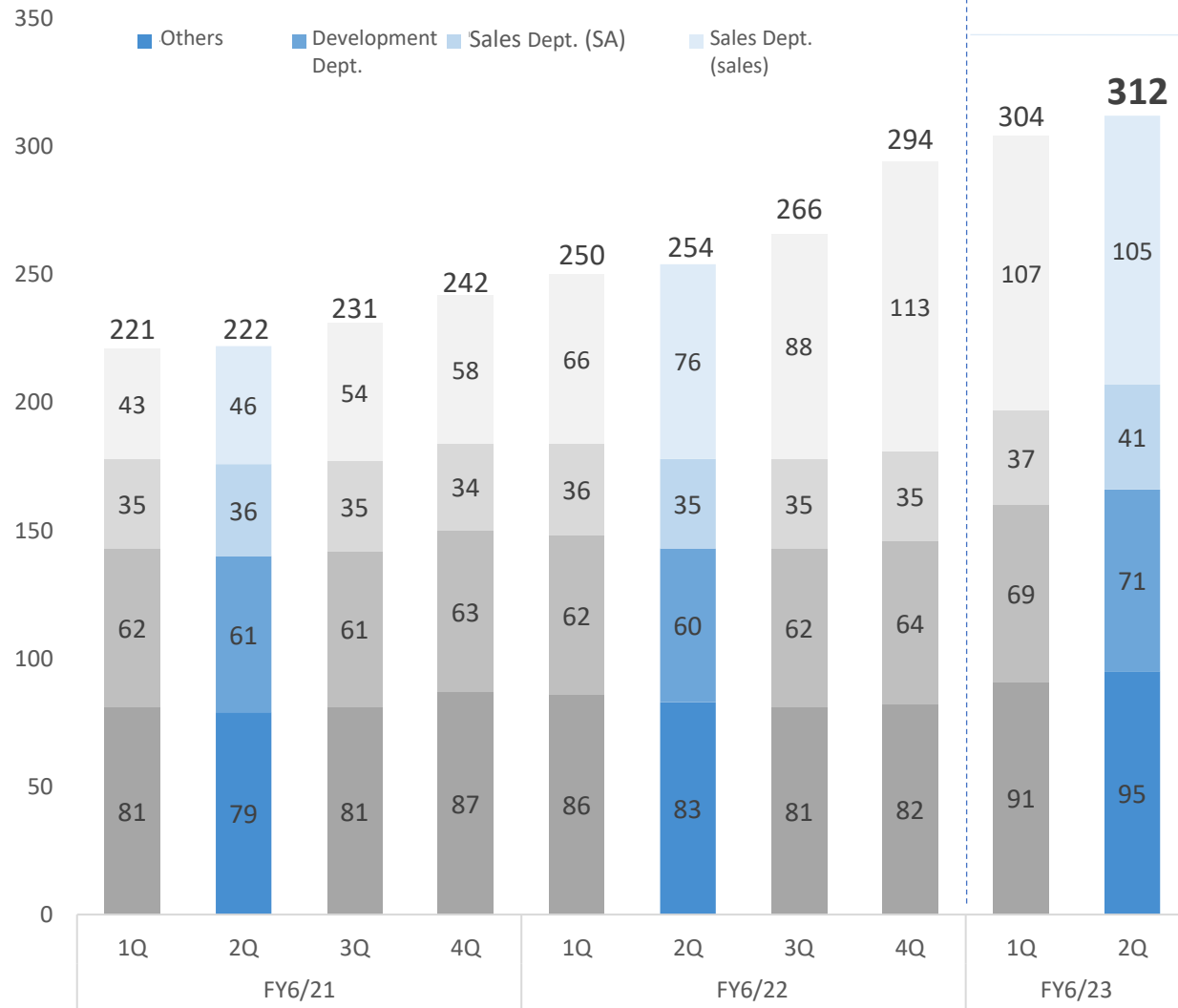
(Thousands of yen)



*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)

Slowing down recruiting activities to prioritize raising productivity of salespeople (sales per individual). In the sales department, strengthening the analytic team for redesigning sales strategies and reexamining sales strategies for customer segments and product segments.



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 250 Companies Using the e-Contract Service

Strong growth backed by the DX of real estate transactions and educational activities for increasing the use of e-contracts and e-apartment applications

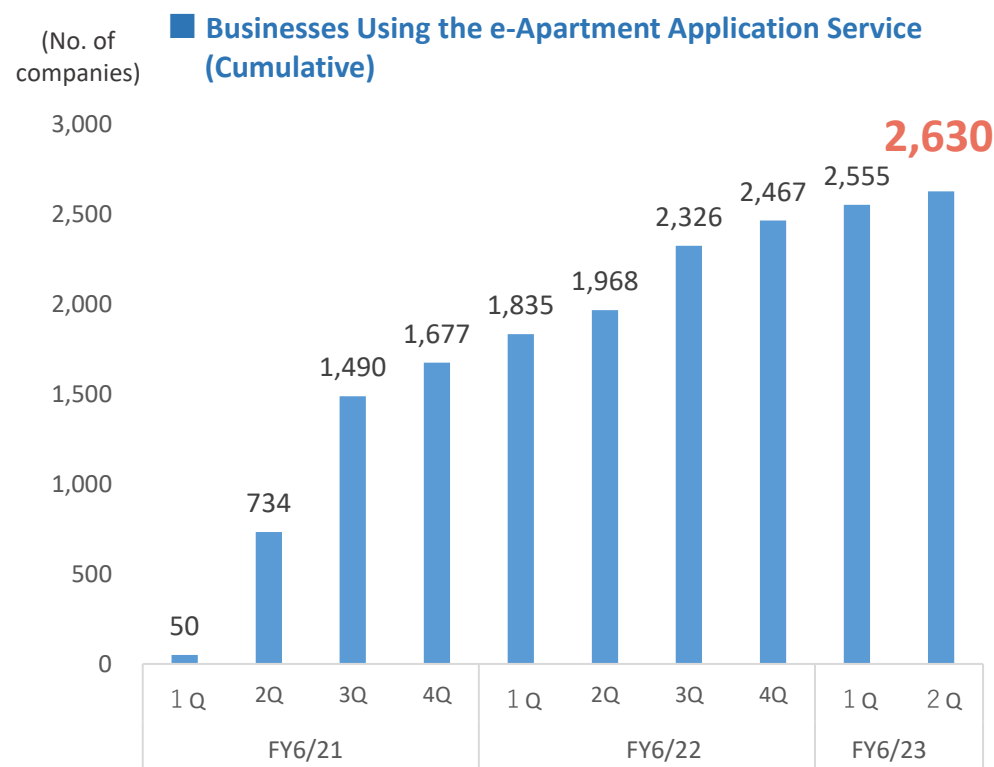
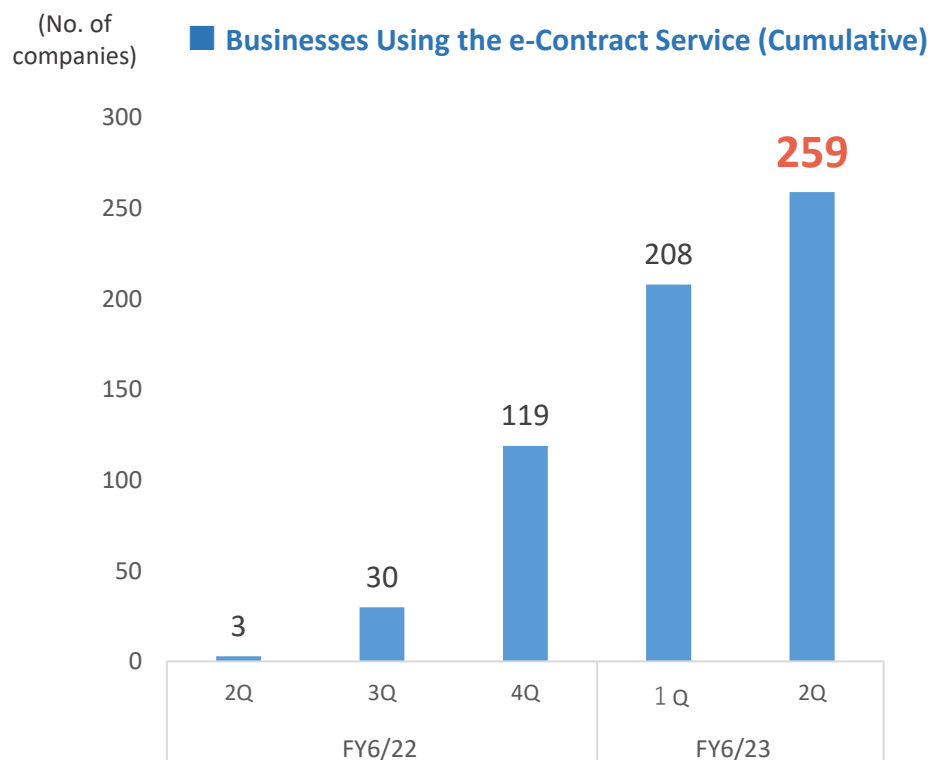
System for online contracts
e-contract **Fees received**

Amended Law Enacted May 2022

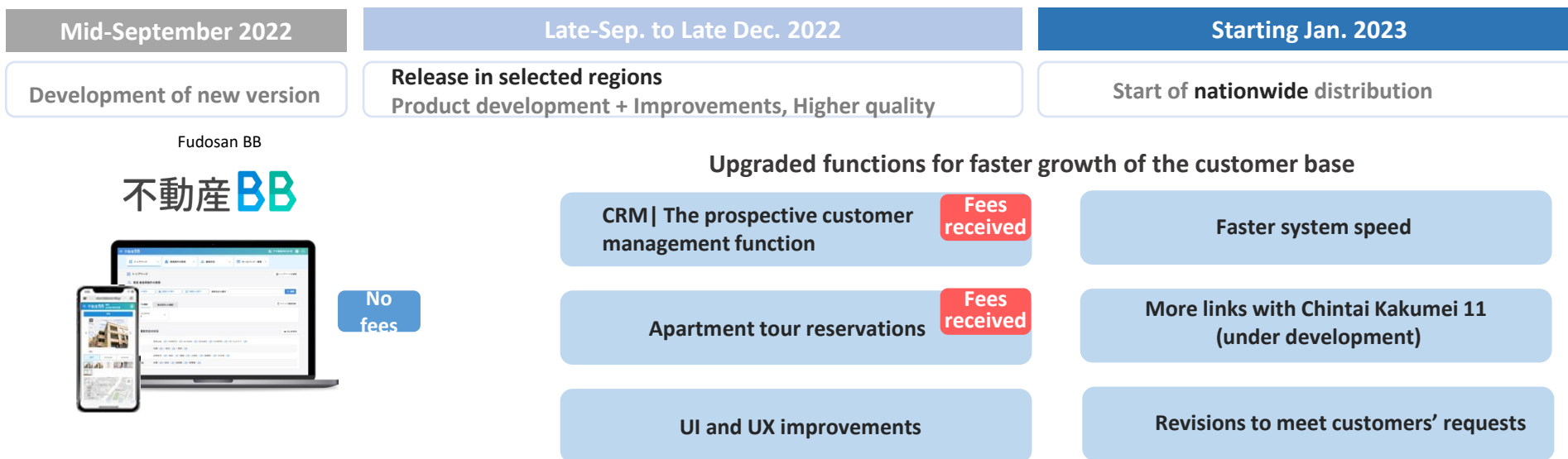
Since May 2022, fully online real estate contracts are possible due to amendments to the Home Building Business Law. The e-contract service eliminates the need for face-to-face meetings and the use of postal mail to send contracts. All steps can be performed online.

Online apartment application
e-apartment application **No fees**

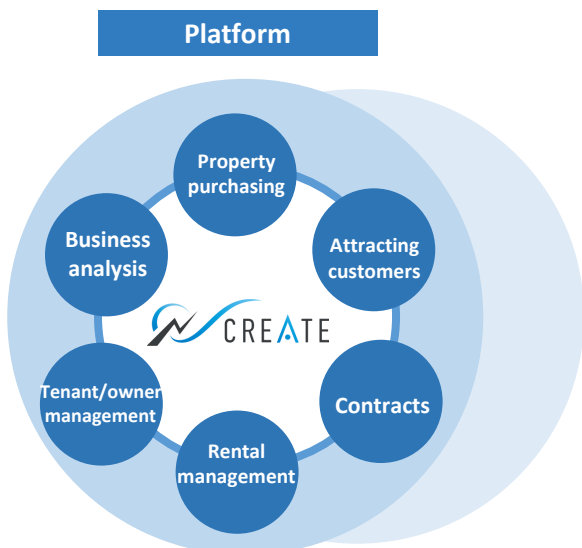
The e-apartment application is a service for rental property management companies that allows performing online the entire application process that, if successful, results in signing a rental agreement. There is no need for handwritten applications, facsimile transmissions or telephone calls, which results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



Nationwide Release of the New Version of Fudosan BB | Distribution started in January 2023



Alliances with companies for building a powerful platform



Insurance data alliances

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

- Room Bank Insure Co., Ltd.
- Hinata Guarantee Co., Ltd.
- USEN Corporation



- Nissenren Jamis Co., Ltd.
- Rext Rent Co., Ltd.



**Activities for the Remainder of FY6/23 to
Accomplish the FY Plan and Establish a Base
for Medium-term Growth**

Drivers of Growth

01 Faster real estate industry DX

- Continuation of slow increase in the number of real estate companies
- Increase in DX demand as Japan's working age population declines in the real estate sector

02 Real estate e-contract market growth

- Growth of the real estate transaction e-contract market following the May 2022 enactment of amended laws
- DX progress using the e-apartment application services/e-contract developed by NJC

03 Higher value of platforms

- Use the free Fudosan BB and ReaPro Broker to attract a larger number of customers
- Use data sharing with partner companies and other activities for platform expansion

04 New and upgraded products and services

- CRM, AI property appraisals and other new products and new services
- More added value by providing more fully integrated and linked products and services

05 AI, data utilization and other new businesses

- Services that utilize NJC's real estate big data
- AI property appraisals, indexes for apartment rent and vacancies, and other services

06 Increase productivity

- More offices to raise public awareness of NJC and to facilitate sharing of sales information and resources among different regions of Japan
- Maintain relationships with current customers and more repurchases of products and services by using primarily newly added sales offices

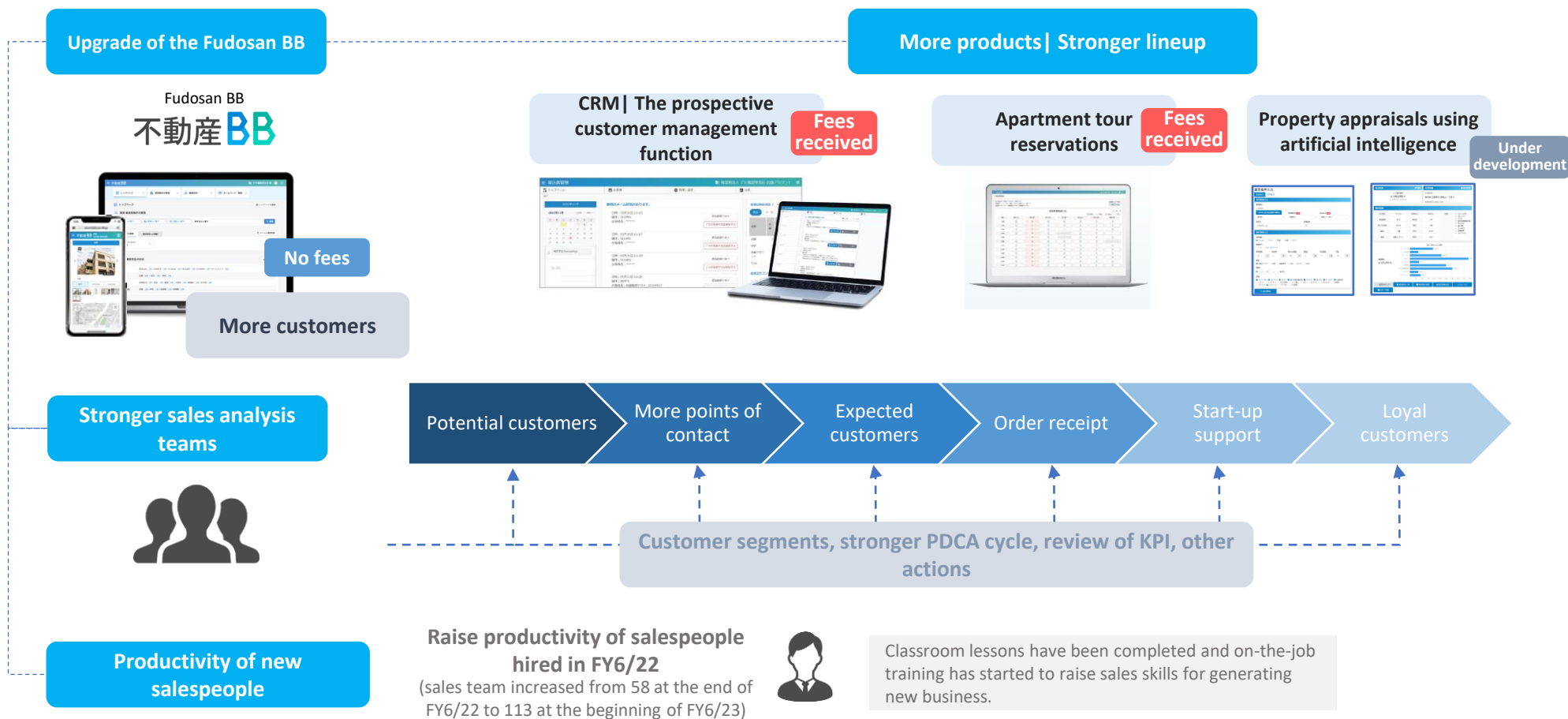
Activities to Accomplish the FY6/23 Plan and Establish a Base for Medium-term Growth

Aiming for the growth of existing businesses, new products, and the greatest possible synergies with RealNetPro to accomplish the FY6/23 plan. Investments for medium-term growth will continue too.

| Actions in 2H FY6/23 and afterward | | Jan. | Feb. | Mar. | Apr. | May | Jun. |
|--|--|---|------|------|------|-----|------|
| Growth of existing businesses | <ul style="list-style-type: none"> • New products for faster sales growth (CRM, Apartment tour reservations, AI property appraisals) • Use of new version of Fudosan BB to further increase the number of users • Growth of the e-contract (e-apartment application) market • More powerful sales infrastructure and sales analysis team • Training programs for sales skills | Organic growth backed by higher sales of current products | | | | | |
| | | More users by using the new version of Fudosan BB | | | | | |
| | | Plan to launch an AI property appraisal service | | | | | |
| | | Sales growth by making salespeople more productive | | | | | |
| Use RealNetPro synergies for growth | <ul style="list-style-type: none"> • Use collaboration among services to increase cross-selling • Continue joint sales activities by sharing target lists, service utilization data and other information • Start a project for the unification of Fudosan BB and ReaPro products • Capture synergies by combining Tokyo offices | More cross-selling based on service linkage and continuation of sales activities using shared information | | | | | |
| | | Start of project for product unification | | | | | |
| | | Plan to combine NJC and RealNetPro offices | | | | | |
| M&A and new businesses for growth | <ul style="list-style-type: none"> • Continue market and other surveys by using specialized teams with a broader scope of activities • Create more opportunities for growth by launching an open innovation program | Add activities in the real estate technology and home life solutions domains | | | | | |
| | | Use an open innovation program to create new businesses | | | | | |

Growth of Existing Businesses

Growth from increasing use of current products, the addition of products with new forms of added value, and raising the productivity of salespeople hired during FY6/22; stronger framework of sales analysis teams and a reexamination of business strategies



Use RealNetPro Synergies For Growth

Following the RealNetPro acquisition in FY6/22, joint real estate DX activities, customer productivity improvements by using links between NJC and RealNetPro services, and the combination of Tokyo offices to strengthen communications within the NJC Group

Data links with Chintai Kakumei for more cross-selling

Chintai Kakumei-ReaPro data link started at the end of November 2022

Data linkage among different services greatly improves the efficiency of business processes extending from rental property management to the sharing of information with other companies.

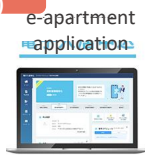
A comprehensive rental property management system
Chintai Kakumei



Data link (established)



Other links (planned)



Cross-sell Chintai Kakumei to ReaPro customers
Cross-sell ReaPro to Chintai Kakumei customers

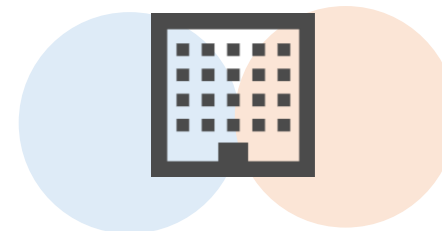
Sales activities targeting
17,157
ReaPro users

(excluding users of both ReaPro and Fudosan BB)
*As of end of June 2022

Planned combination of Tokyo offices

Office consolidation planned for April 2023

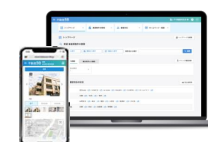
To maximize synergies, the Tokyo offices of NJC and RealNetPro will be combined. Operating in the same building and on the same floor will strengthen communications between the two companies.



Start a project for the unification of products

Fudosan BB

不動産BB



ReaPro

リアプロ



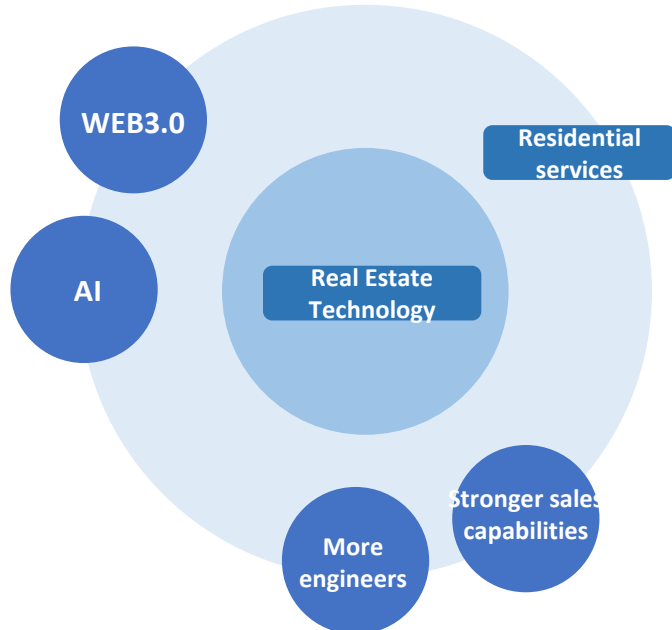
M&A and New Businesses For Growth

Continue an M&A strategy for using capital more efficiently and building a sound platform and start new businesses by using real estate data. For even faster growth, use open innovation for creating new businesses and updates and upgrades of existing businesses

M&A to grow even faster

Targeting the real estate technology and residential services markets

M&A activity encompasses the current business domain of real estate technology as well as the even broader category of residential services. Establishing a sound platform and growing even faster are the goals.



Use AI and real estate technology to start new businesses

Utilization of real estate data obtained by providing NJC services

Plan to create new businesses that use NJC's highly accurate information, such as by starting an appraisal service and providing information in the form of indexes for apartment rent and vacancies.

Use open innovation to start new businesses

New businesses and updates of current businesses

Create new businesses and update and upgrade current businesses by utilizing data assets and using business partners for building business networks centered on start-up companies.



- Data assets
- Customer/sales networks
- Current businesses

Business partners

Business network centered on start-up companies



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



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)

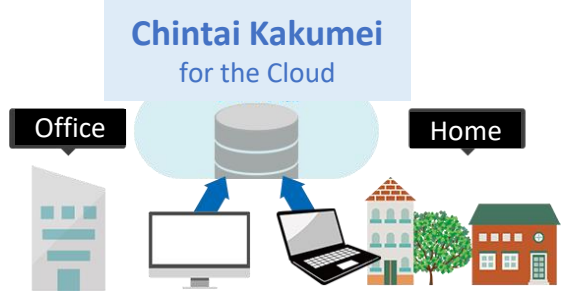
Passage of digital reform laws

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.



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.

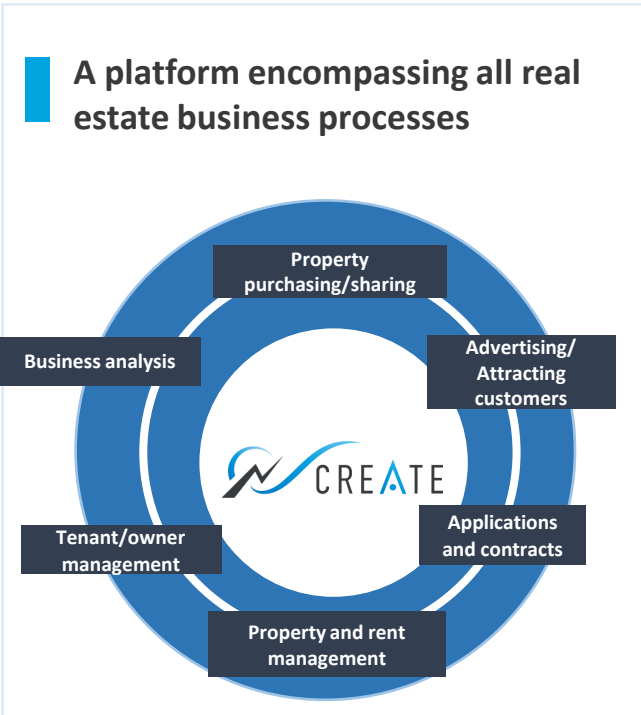


Source:
 Statistics for Homebuilders and Residential Land and Building Transaction Brokers, end of fiscal 2018, Real Estate Transaction Improvement Organization and Number of Residential Land and Building Transaction Companies, Ministry of Land, Infrastructure, Transport and Tourism

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



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

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

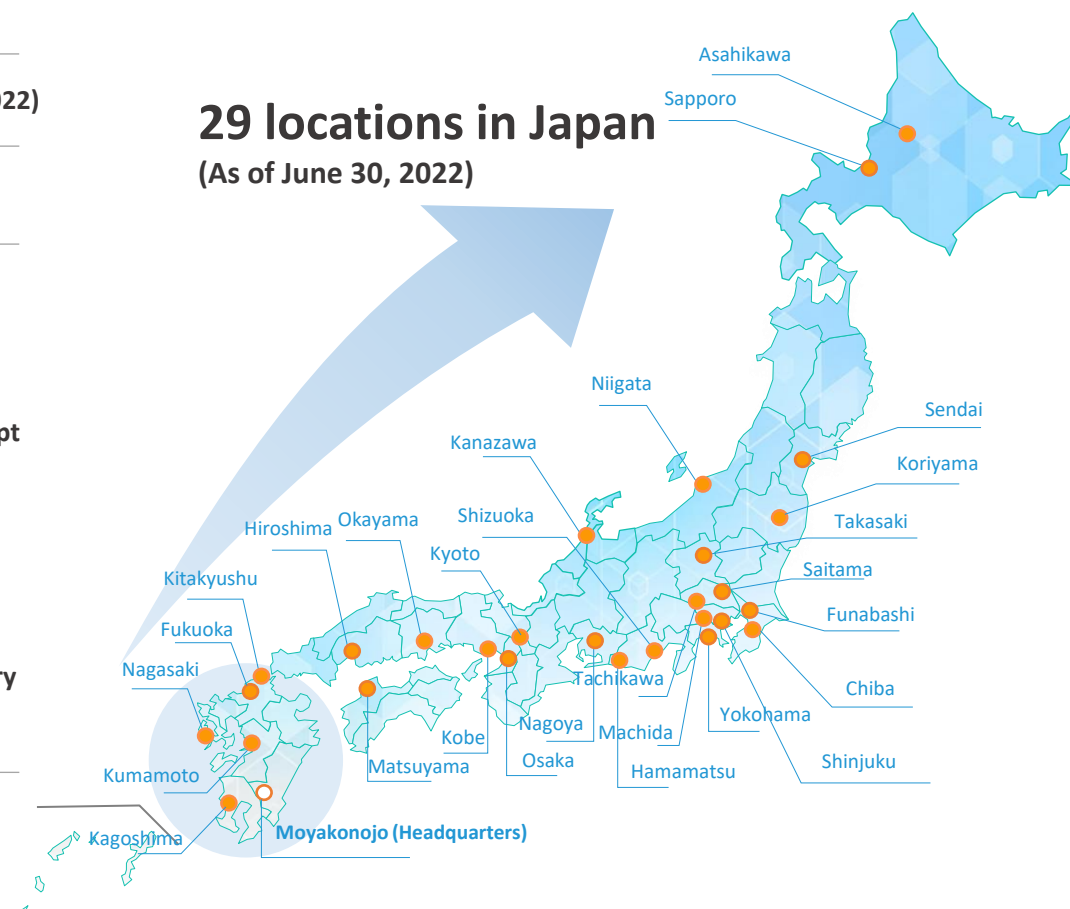


Company Profile

| | |
|----------------------------|--|
| 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 | <p>Yonetsu Kenichi, Representative Director, President</p> <p>Maruta Hideaki, Director, Head of DX Promotion Dept</p> <p>Arai Atsushi, Director, General Manager of Sales Dept</p> <p>Senokuchi Naohiro, Director, Head of Administration Dept</p> <p>Watanabe Aya, External Director</p> <p>Miyazaki Tomoaki, Director, Audit & Supervisory Committee member</p> <p>Miura Hiroshi, External Director, Audit & Supervisory Committee member</p> <p>Yamamoto Osamu, External Director, Audit & Supervisory Committee member</p> |
| 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)



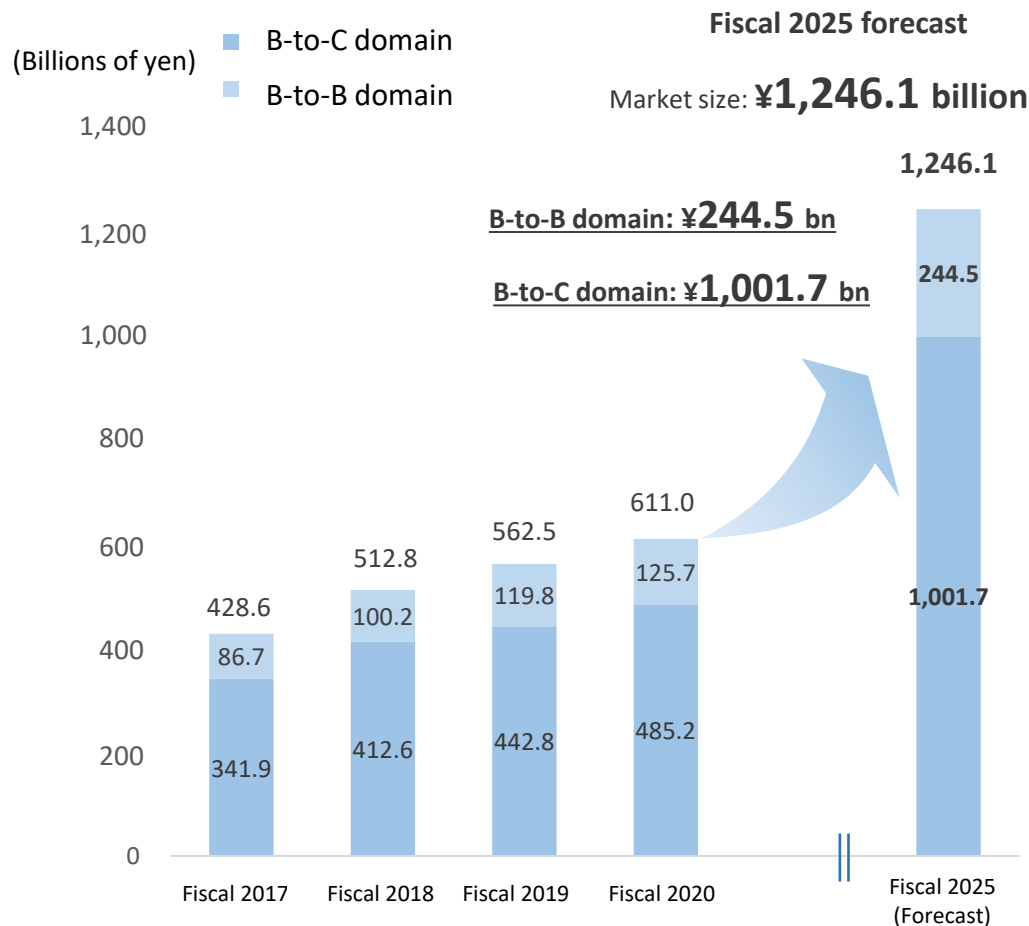
Japan's Growing Real Estate Technology Industry

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

Homebuilders in Japan

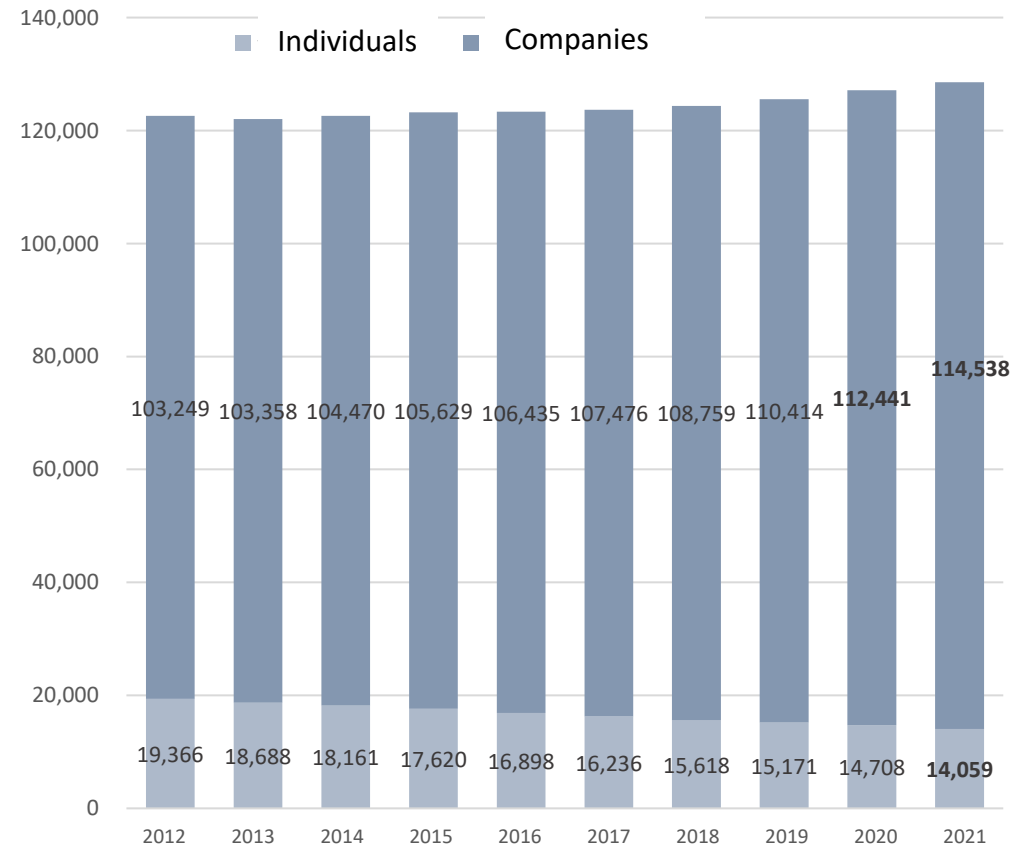
The number of homebuilders has increased slightly, remaining generally steady at about 120,000. The number of companies is increasing and the number of operations by individuals is decreasing

■ 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

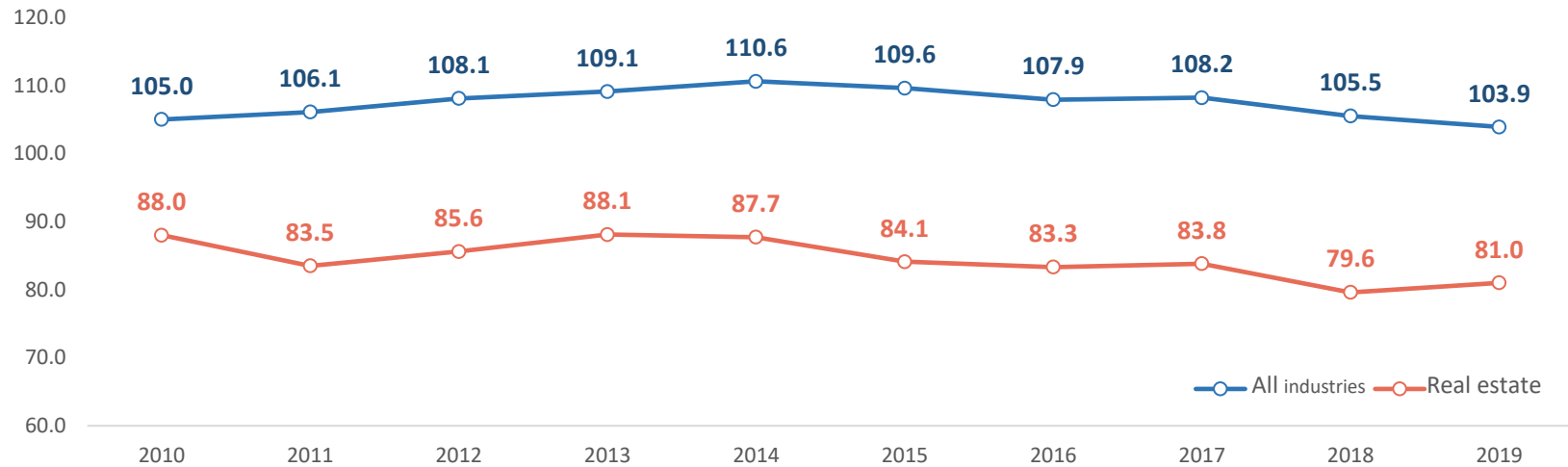
■ Homebuilders in Japan (End of fiscal 2021)



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

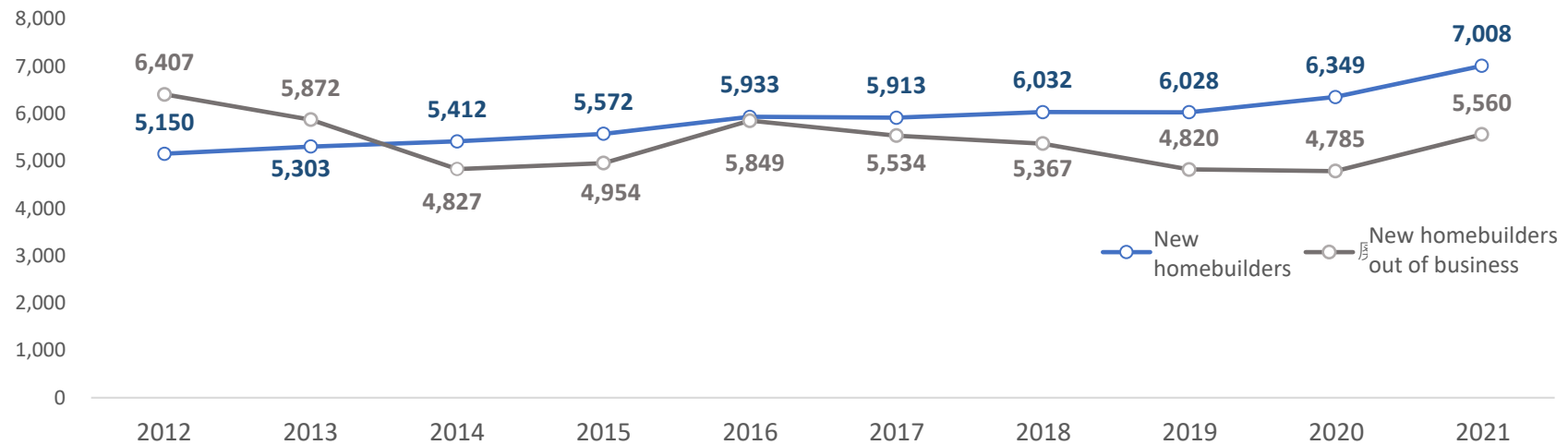
Real Estate Industry Labor Productivity and Number of Homebuilders

■ 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



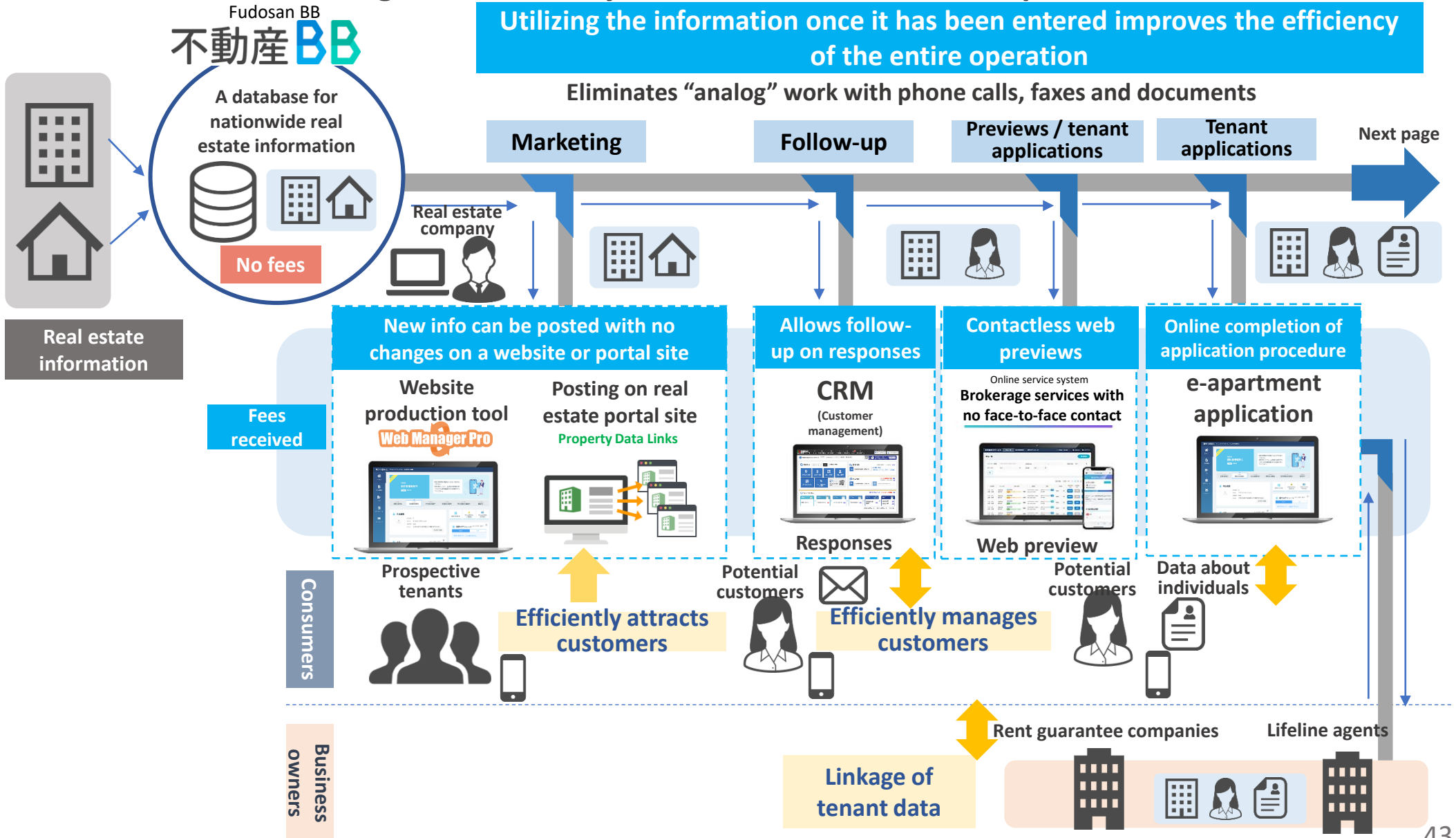
Source: Statistics for Homebuilders and Residential Land and Building Transaction Brokers, end of fiscal 2021, Real Estate Transaction Improvement Organization and Number of Residential Land and Building Transaction Companies, Ministry of Land, Infrastructure, Transport and Tourism

Use of Freemiums for Cross-selling and Upselling

Seamless data linkage for efficiency of all real estate business processes

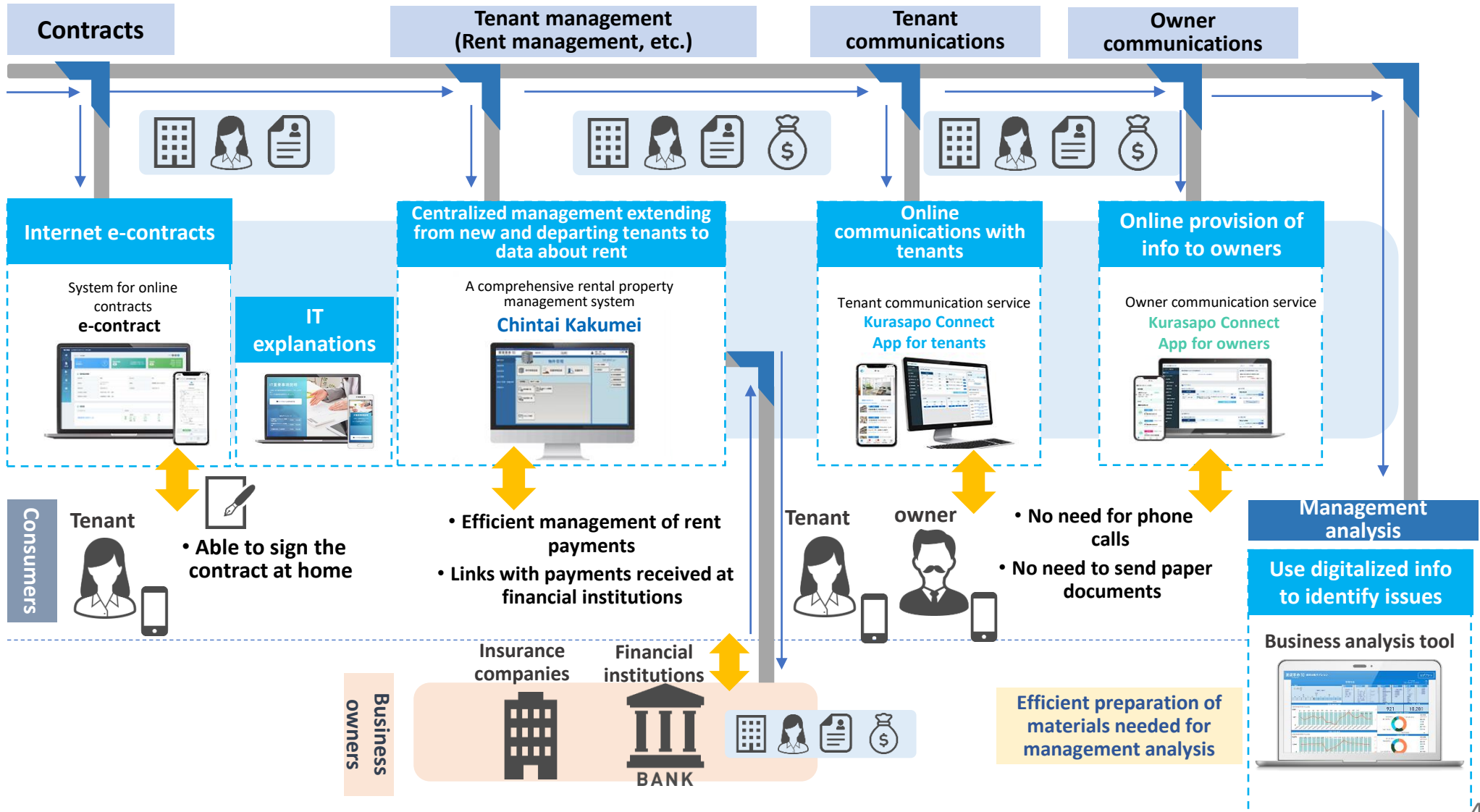
Utilizing the information once it has been entered improves the efficiency of the entire operation

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

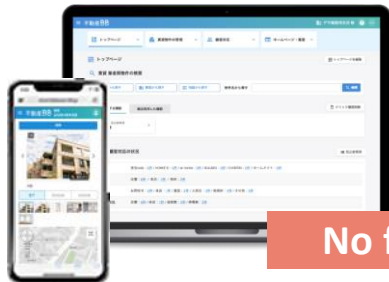


Products and Services

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

Fudosan BB

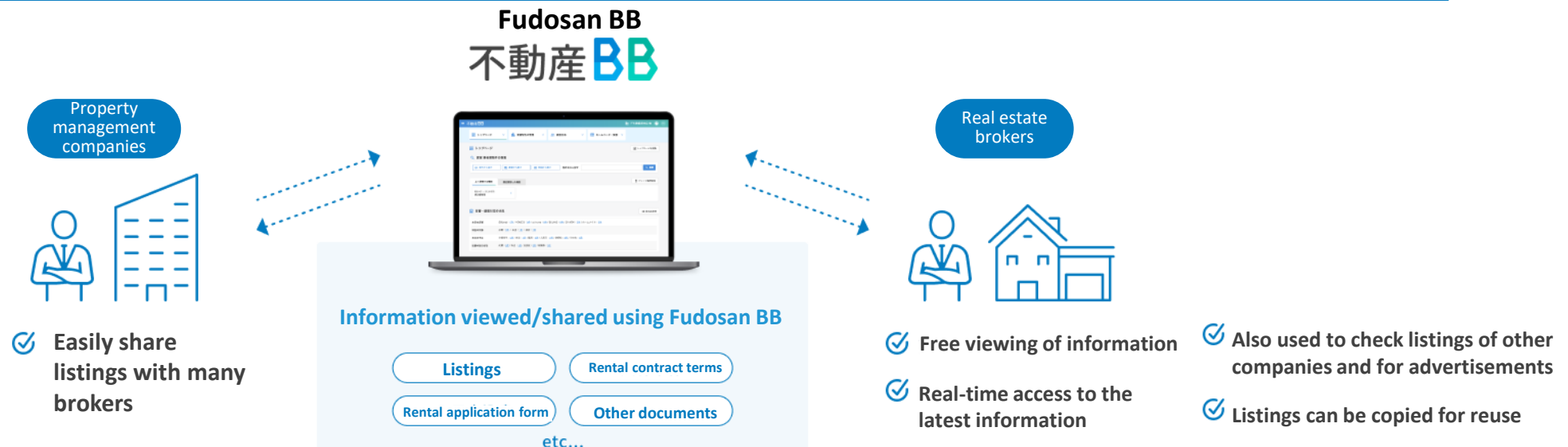
Fudosan BB
不動産BB



No fees

An 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



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

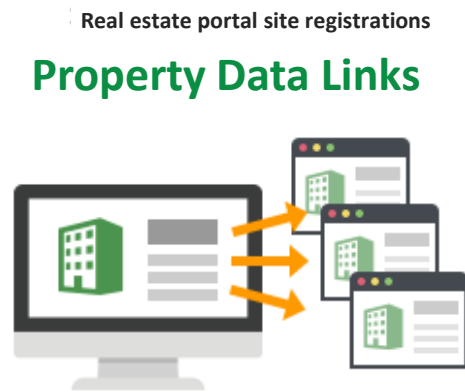
Linkage with Chintai Kakumei and Fudosan BB allows incorporating registered properties in the website. Efficiency is higher due to elimination of the need for manual input of data.



Products and Services

Real estate portal site registrations

Property Data Links



New property information entries are automatically incorporated in the portal site

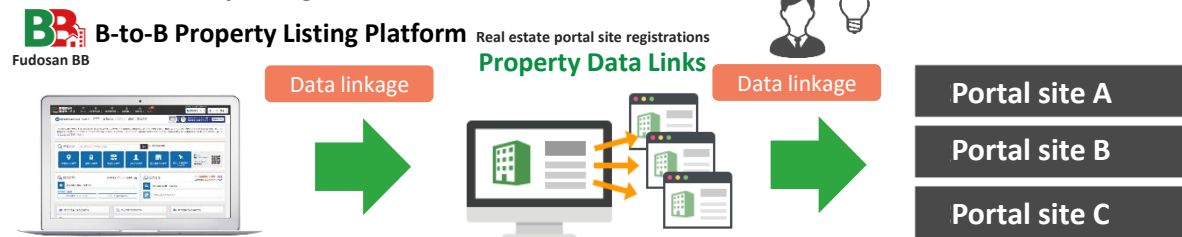


Property Data Links

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.

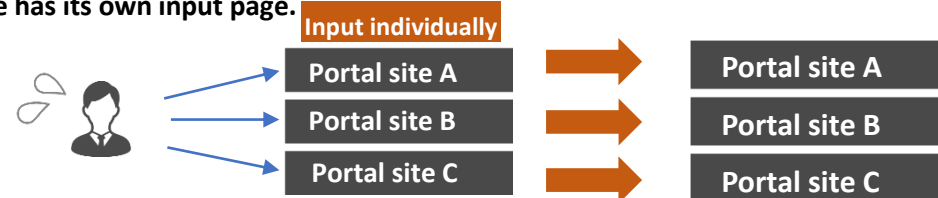
With Property Data Links

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



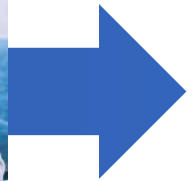
e-apartment application



IT explanations

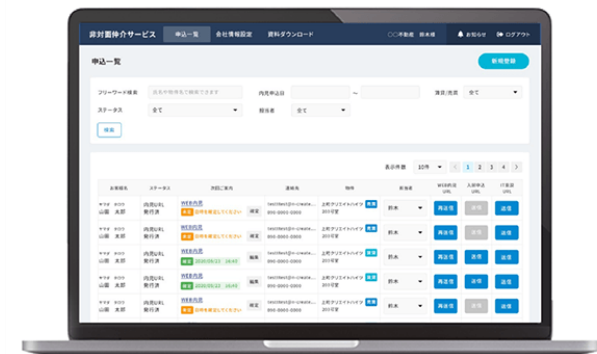


e-contract



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

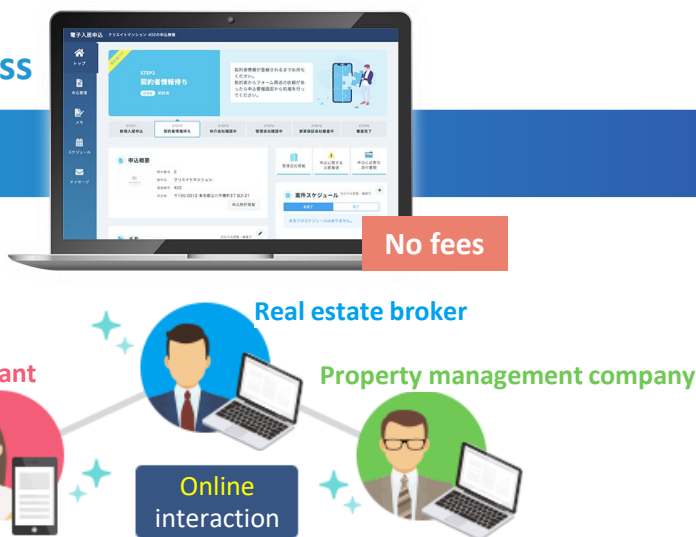
Online service system

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

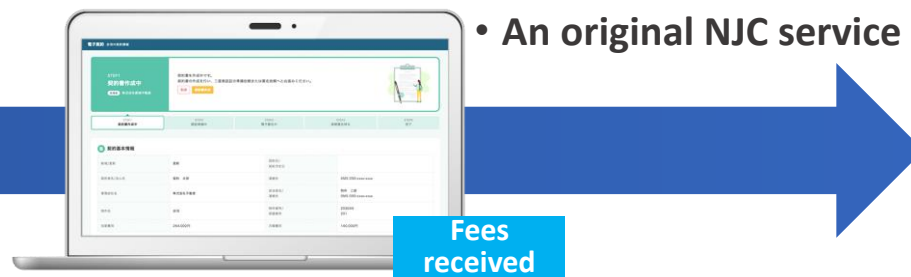
Electronic apartment application

Real estate business



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.

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

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.



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 |
|---|--|--|---|---|
| <p>Products encompass all steps</p> <p>A broad lineup of products for solving many issues for customers, resulting in one-stop solutions extending from brokerage to property management tasks</p> | <p>A large sales network</p> <p>Consulting closely linked to regional needs and characteristics for real estate companies nationwide; earns customers' trust by providing proposals as well as valuable support</p> | <p>Support</p> <p>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</p> | <p>Market share</p> <p>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.</p> | <p>Expertise acquired over 27 years</p> <p>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.</p> |

IR Information | Distribution using e-mail and Twitter

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



E-mail

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



IRメール受信登録

投資家の皆さまへのIR情報をメールでお届けいたします。

IRメール受信登録



Twitter

Receive IR news as well as information about events and other items

- Timely disclosure announcements
- [Information about events](#)
- Public relations announcements
- [Text of information meetings, etc.](#)

[Follow](#)

*Link to the Twitter page of the NJC IR manager

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@NihonJoho_C_IR

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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.



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.
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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.