

Results of Operations for the Fiscal Year Ended June 30, 2023



Nihon Joho Create Co., Ltd.

Tokyo Stock Exchange Growth Market: 4054

August 10, 2023

- 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**

A product lineup spanning the SaaS x real estate tech domain

For real estate brokerage companies

For property management

Brokerage solutions

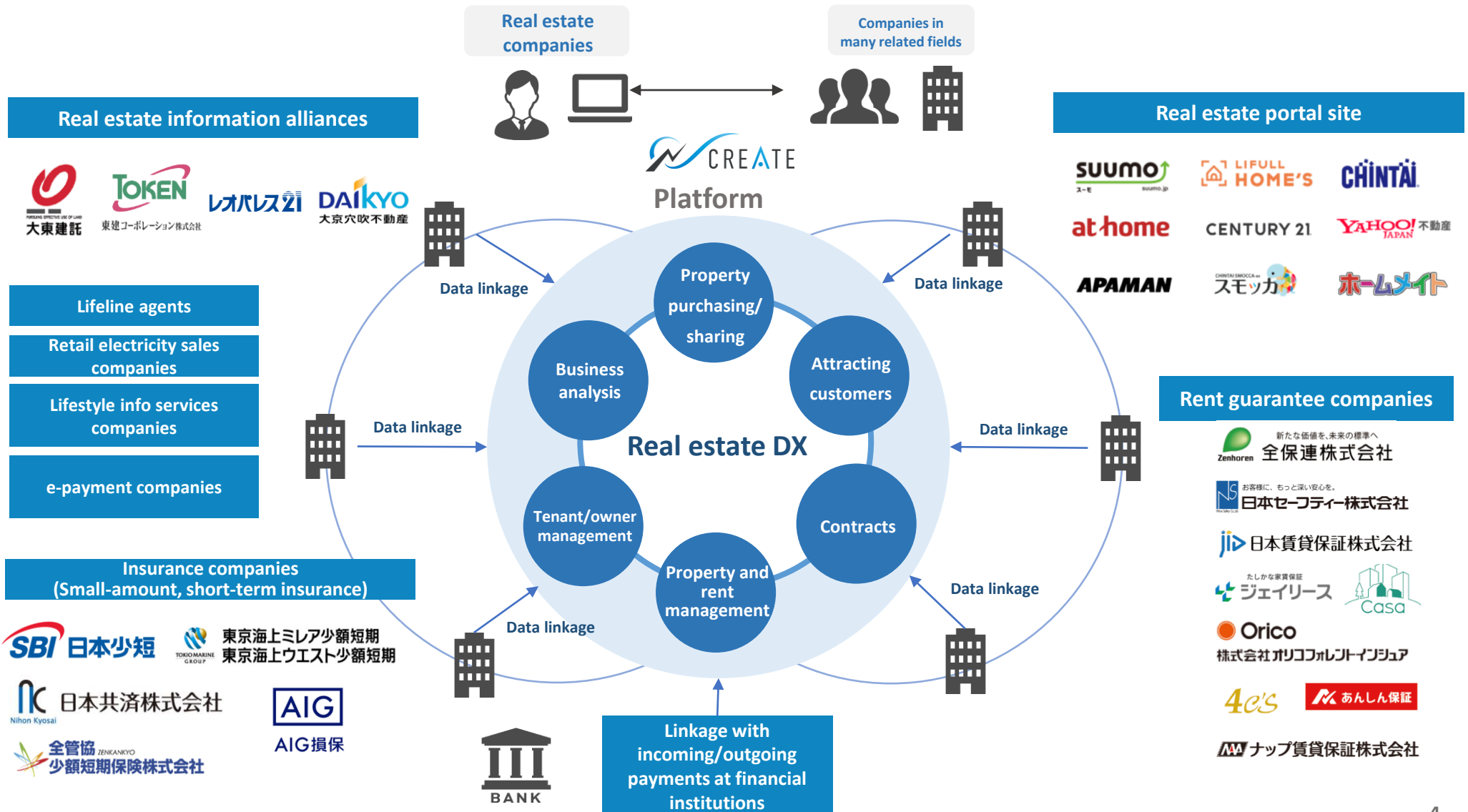
Property management solutions

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.C.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> <p>Create Rental Housing Index</p> <p>Data provision service using an index for residential rental property rent and vacancies</p> <p>CRIX create rental housing index</p>	

A broad range of services for real estate brokers and rental property managers using a platform

Application programming interface (API) linkage (data linkage) improves the efficiency of business processes of real estate companies as well as of the procedures of companies related to the real estate industry.



Executive Summary

Sales growth every year since NJC's founding (29 years); sales and operating profit above the revised forecast announced with first half results of operations

Large investments for sales consultants and sales offices have ended; a base is in place for a return to high profitability

FY6/23 Summary

Net sales

¥3,770 million
+23.5% YoY

Progress vs. FY6/23 forecast

100.5% 

Progress was in line with the strategy with sales consistent with the FY6/23 forecast revised after the first half.

Operating profit

¥329 million
-34.2% YoY

Progress vs. FY6/23 forecast

109.6% 

Operating profit surpassed the forecast as expenses were controlled. Large investments for sales consultants and sales offices have ended. Expect to return to high profitability of prior years.

Profit attributable to owners of parent

¥185 million
-34.6% YoY

Progress vs. FY6/23 forecast

80.4%

Profit was below the forecast as the tax rate increased from 38.1% in FY6/22 to 50.8% in FY6/23.

Dividend: 5 yen, which is no change from the FY6/23 dividend forecast

Topics

People Strategy

Sales consultant training programs have ended; a stronger support framework

- Finished training new sales consultants after the big increase in FY6/22
- Using inside sales to reinforce sales support
- Customer success teams assist with using NJC Group services and finding new business

Customer Strategy/ Product Strategy

Upgrade of Fudosan BB and linkage with ReaPro

- Steady increase in number of users due to the upgraded Fudosan BB
- Linkage with ReaPro service and progress with cross-selling
- The number of users of services with fees is increasing as planned

Building Platforms

More data links with other companies and progress with using big data

- Data links with rent guarantee, e-payment and lifeline agency companies
- Started the Create Rental Housing Index (CRIX)
- Developed an AI appraisal service and formed an R&D team for generative AI

Sales and Earnings Plan for FY6/24

Plan is sales up 16.7%, operating profit up 110% and an operating margin of 15.9% The goal is sales and earnings growth (return to high profitability) by using M&A, the development of new products, more sales offices and investments in people.

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FY6/23 Financial Highlights

FY6/23 Financial Highlights

Sales increased 23.5% YoY to a record high.

Earnings decreased due to investments in personnel, but a return to high profitability is expected because large personnel investments ended in FY6/23.

(Millions of yen)	FY6/22 results	FY6/23 results	YoY change	FY6/23 plan (revised downward in 1H results of operations)	Vs. plan	Explanation
Net sales	3,053	3,770	+ 23.5%	3,750	100.5%	Increased because of sales growth at NJC and the new consolidation of RealNetPro
Brokerage solutions	929	1,505	+ 62.0%	-		RealNetPro sales are included in brokerage solutions. Sales increased due to NJC sales growth and RealNetPro consolidation.
Property management solutions	2,086	2,224	+ 6.6 %	-		Chintai Kakumei sales increased due to new customers and upselling to current customers. Steady revenue increased too.
Gross profit	2,261	2,486	+ 10.0%	-		Cost of sales increased due to depreciation following the launch of the updated Fudosan BB and temporary increase in maintenance expenses and outsourced processing expenses
Gross profit margin	74.0%	66.0%	-8.0pt	-		
Operating profit	500	329	-34.2%	300	109.6%	Operating profit is consistent with the plan. Large investments for a stronger sales force have ended and a return to high profitability is expected.
Operating margin	16.4%	8.7%	-7.7pt	8.0%		
EBITDA	572	661	+15.5%	610	108.3%	
Ordinary profit	538	376	-30.1%	350	107.4%	
Profit attributable to owners of parent	283	185	-34.6%	230	80.4%	

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.

FY6/23 Financial Highlights | Quarterly

Fourth quarter (April-June) sales increased 21.1% YoY to a record high for a quarter.

Organic sales growth has resumed and the inclusion of RealNetPro further contributed to sales and earnings.

Operating profit up in proportion to sales growth as large up-front investments for people and sales offices have ended.

(Millions of yen)	FY6/22 results				FY6/23 (consolidated) results				Explanation
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Net sales	743	765	688	856	853	922	956	1,037	Quarterly sales were higher in every quarter. Record high quarterly sales in the 4Q resulting from creating many proposals for customers following the end of their busiest period of the year
Brokerage solutions	220	230	232	246	359	379	388	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	559	646	Sales increased due to steady growth in initial sales and steady revenue of Chintai Kakumei
Operating profit	176	191	81	51	45	82	50	151	Operating profit increased as sales increased due to the end of large investments
Operating margin	23.8%	25.0%	11.9%	6.0%	5.3%	8.9%	5.3%	14.6%	
Ordinary profit	214	190	82	50	96	80	49	150	
Profit attributable to owners of parent	149	132	57	-55	52	55	26	51	

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.

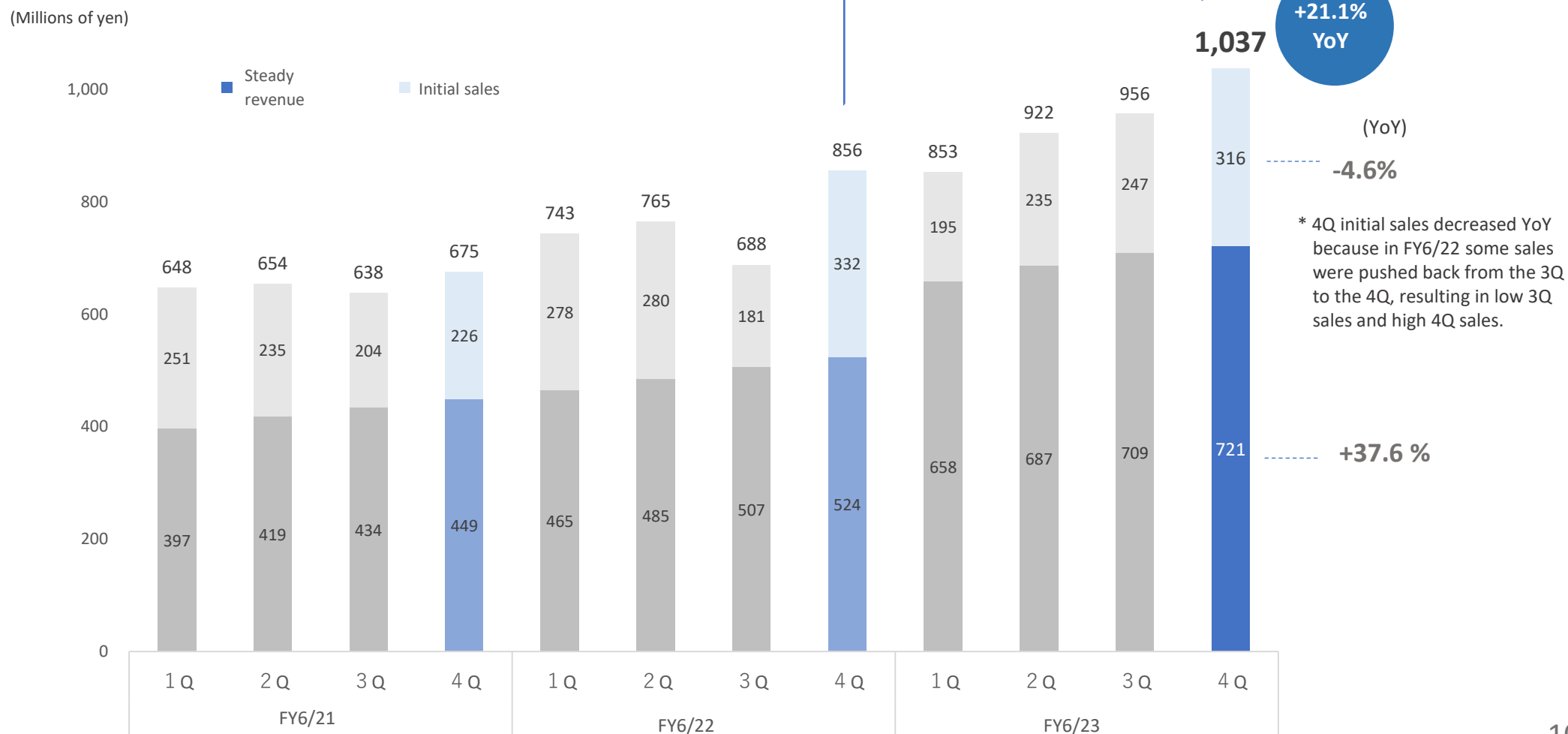
FY6/23 Financial Highlights | Steady Revenue and Initial Sales (Consolidated)

Initial sales: Increased because of new property management solutions customers and upselling to current customers.

Steady revenue: Increased due to solid organic growth and to the consolidation of RealNetPro.

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

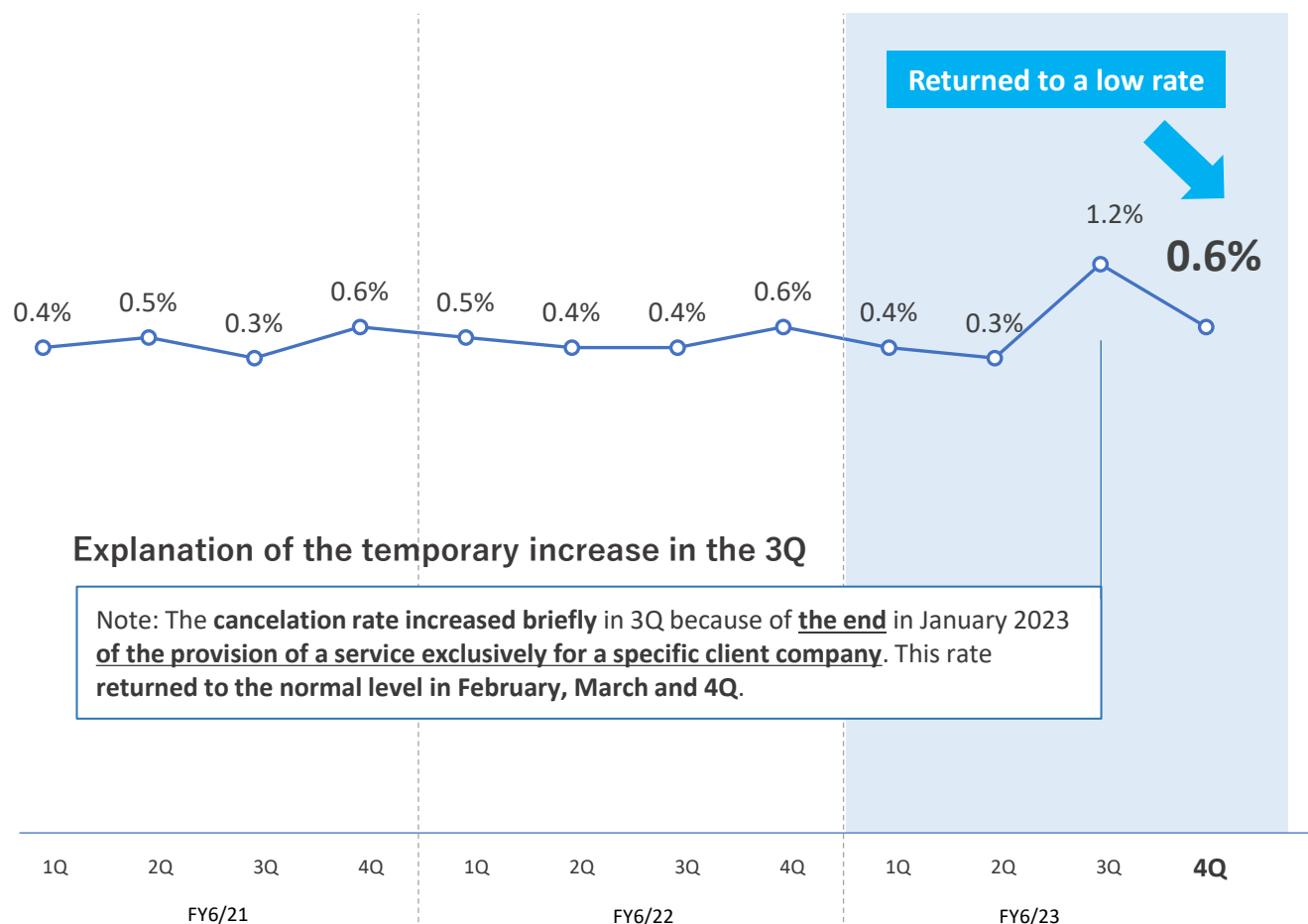


Cancelation Rate

The average monthly cancelation rate was 0.6%. The rate increased in the 3Q due to a one-time effect but returned to the prior low level in the 4Q.

We will continue to concentrate on the use of system advisers who provide on-site support to customers and on call centers and customer success teams in order to hold down the cancelation rate.

■ Cancelation Rate (Average monthly cancellations)



Explanation of the temporary increase in the 3Q

Note: The cancelation rate increased briefly in 3Q because of the end of the provision of a service exclusively for a specific client company. This rate returned to the normal level in February, March and 4Q.

FY6/23 average monthly cancelation rate

0.6%

*The average monthly cancellations is the decline in monthly fees due to cancellations as a percentage of monthly fee income from existing contracts.

Support for customers keeps the cancelation rate low

On-site support for using NJC services and support from call centers help keep customer satisfaction high.

IT System adviser



Call center



Components of Change in Operating Profit

Net sales

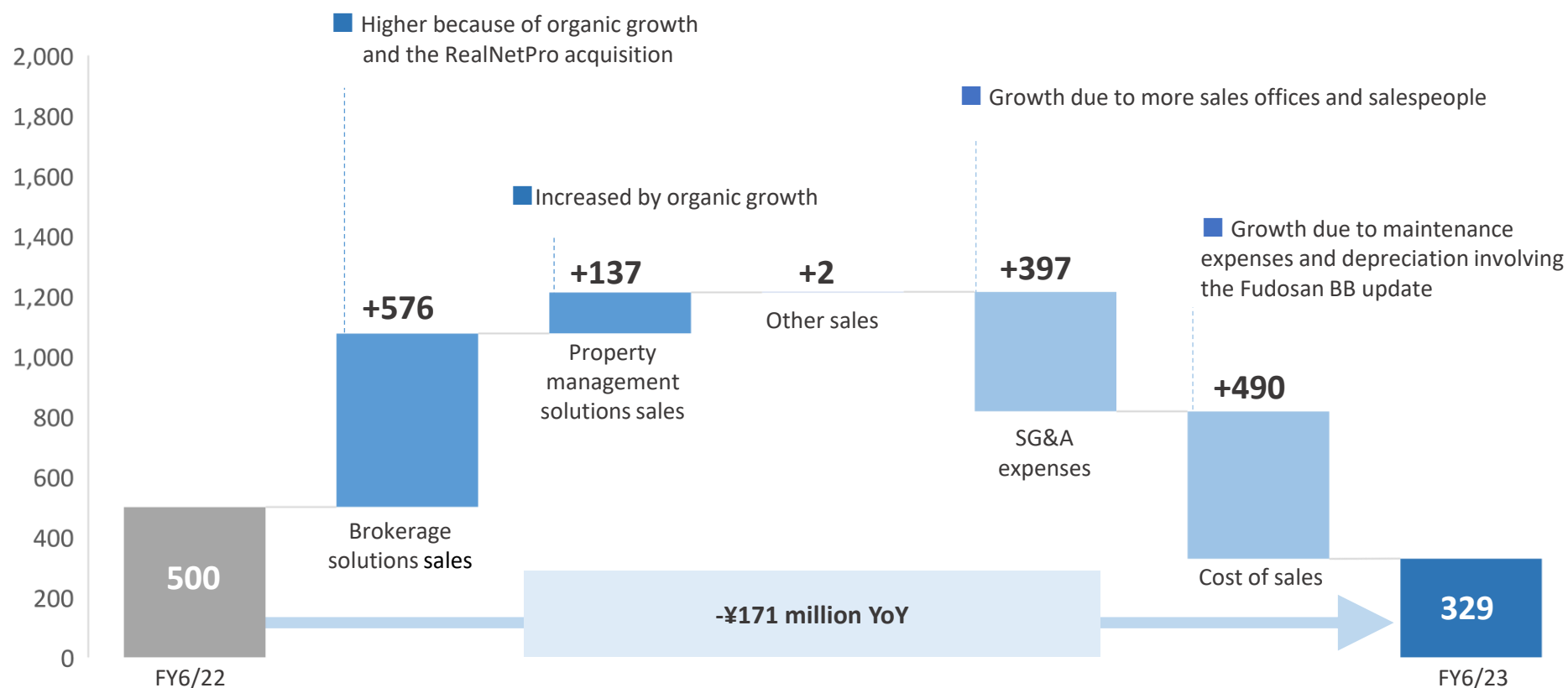
Brokerage solutions sales increased because of the acquisition of RealNetPro and property management solutions sales increased steadily due to organic growth.

Higher SG&A expenses/ cost of sales

SG&A expenses increased because of salespeople hired during FY6/22; cost of sales increased because of maintenance expenses and depreciation involving the Fudosan BB update.

(Millions of yen)

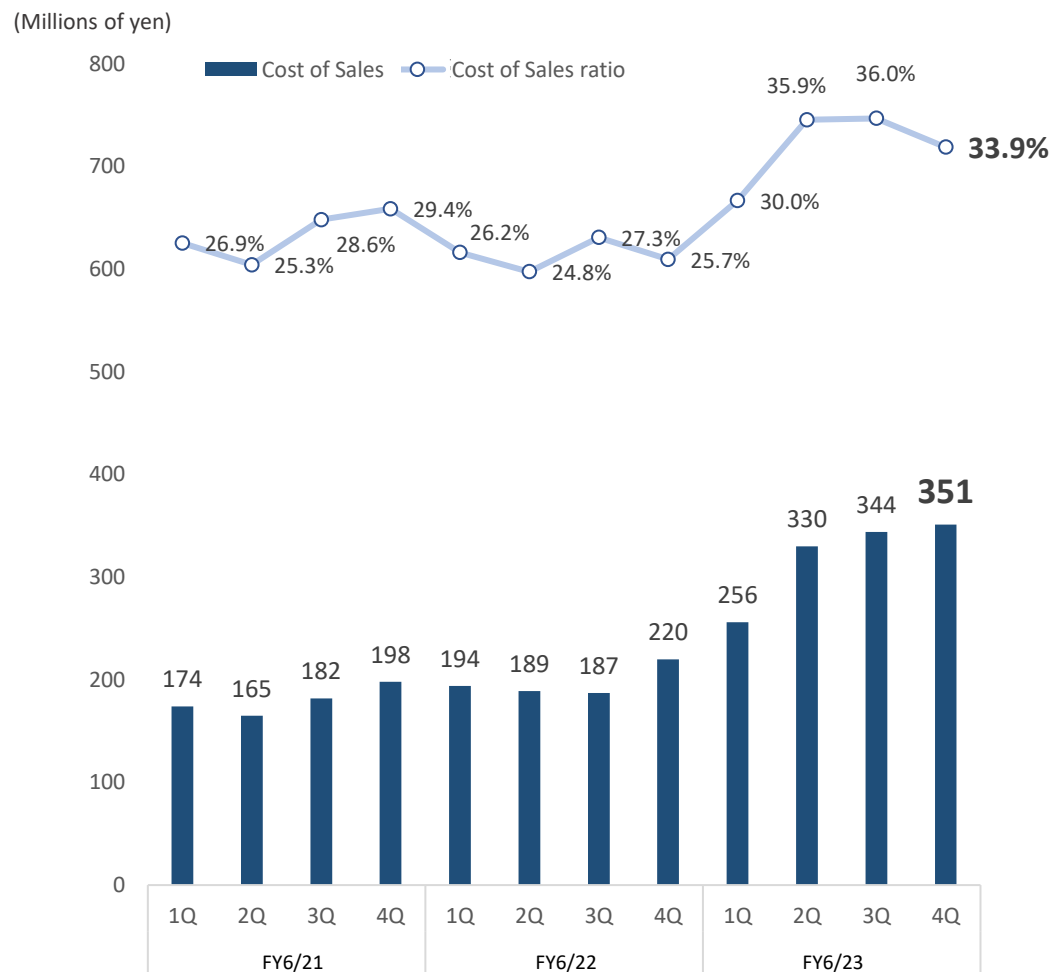
Operating profit: ¥329 million Operating margin: 8.7%



Changes in SG&A Expenses/Cost of Sales

Cost of Sales

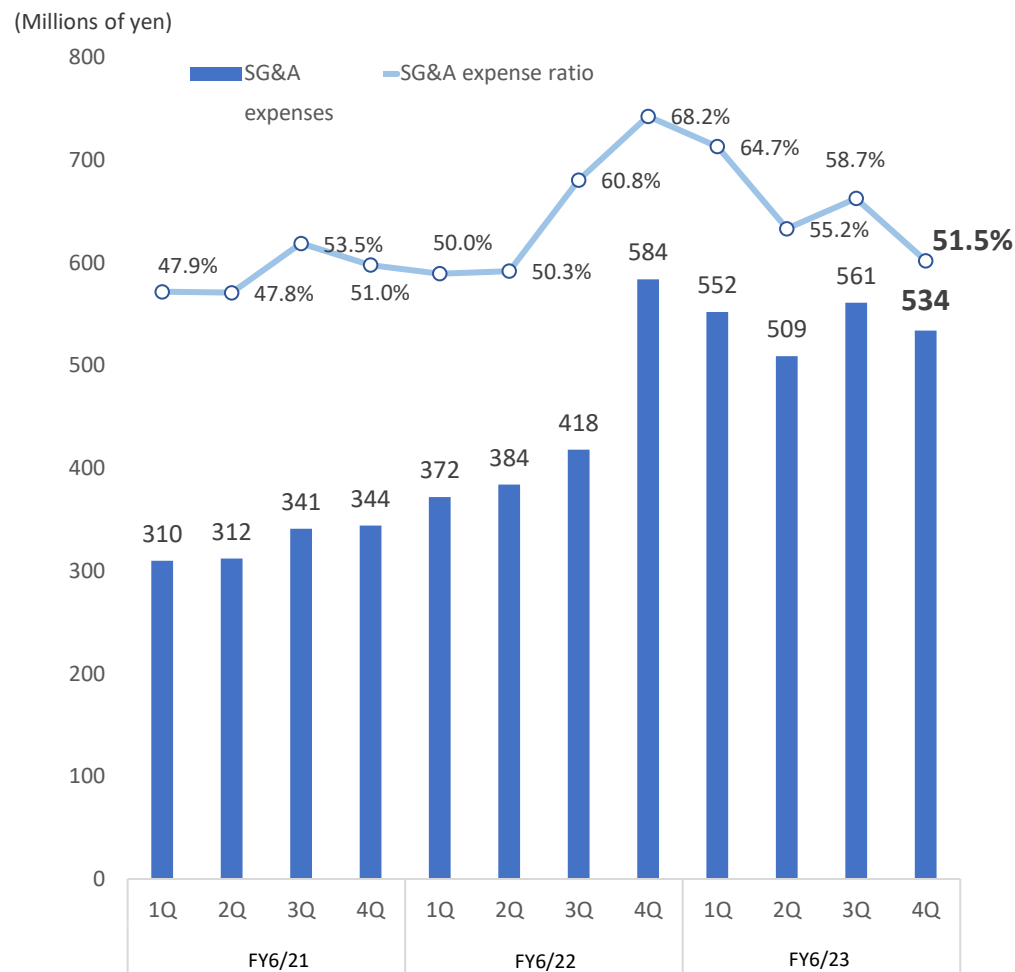
The 2Q launch of the updated Fudosan BB raised depreciation expenses and caused maintenance expenses to increase briefly.



SG&A Expenses

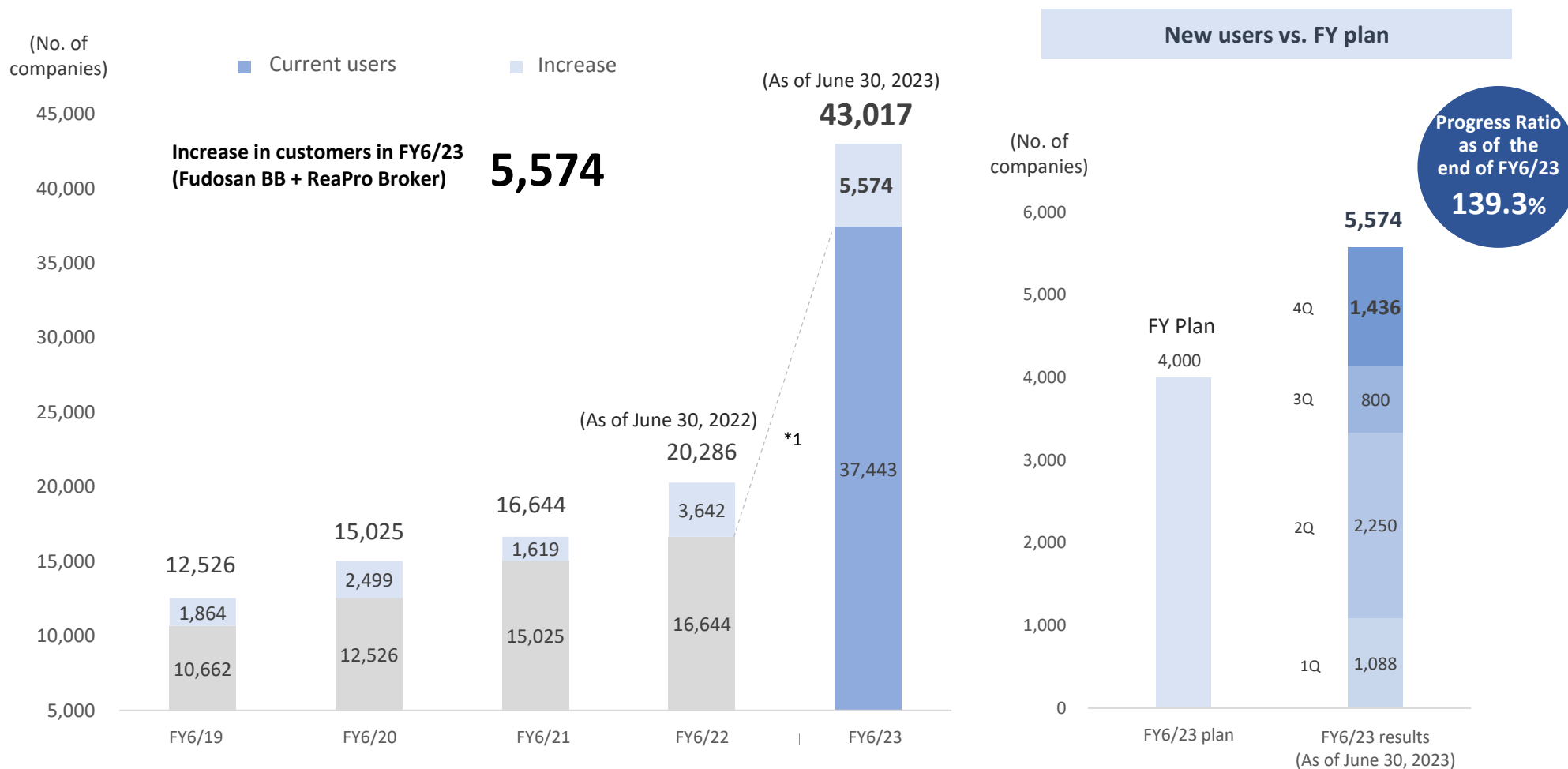
The upturn in investments in personnel has ended. Expect the consistent control of personnel expenses to result in a lower SG&A expense ratio and a recovery in the operating margin.

(*The 4Q FY6/22 SG&A expense increase is partly due to M&A fees of ¥98 million.)



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

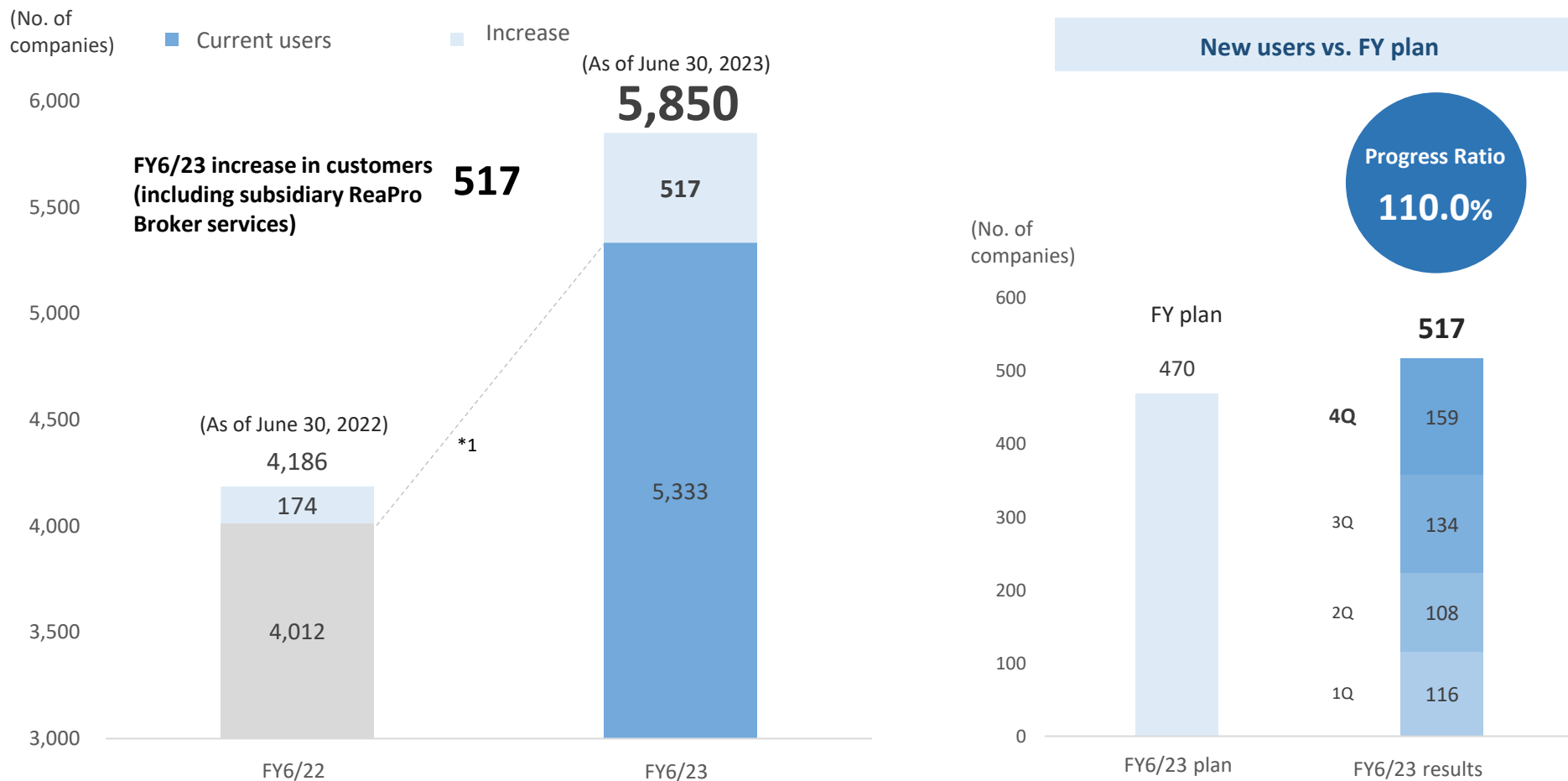
Steady increase in the number of businesses using the free Fudosan BB property listing platform to establish a customer base in accordance with the freemium strategy. Activities continue to attract more customers in order to capture a larger share of this market. The number of customers is 139.3% of the FY Plan.



*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 number of new customers is **110.0%** of the FY6/23 plan. The plan that was revised downward in the 2Q was achieved and users increased every quarter.



*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)

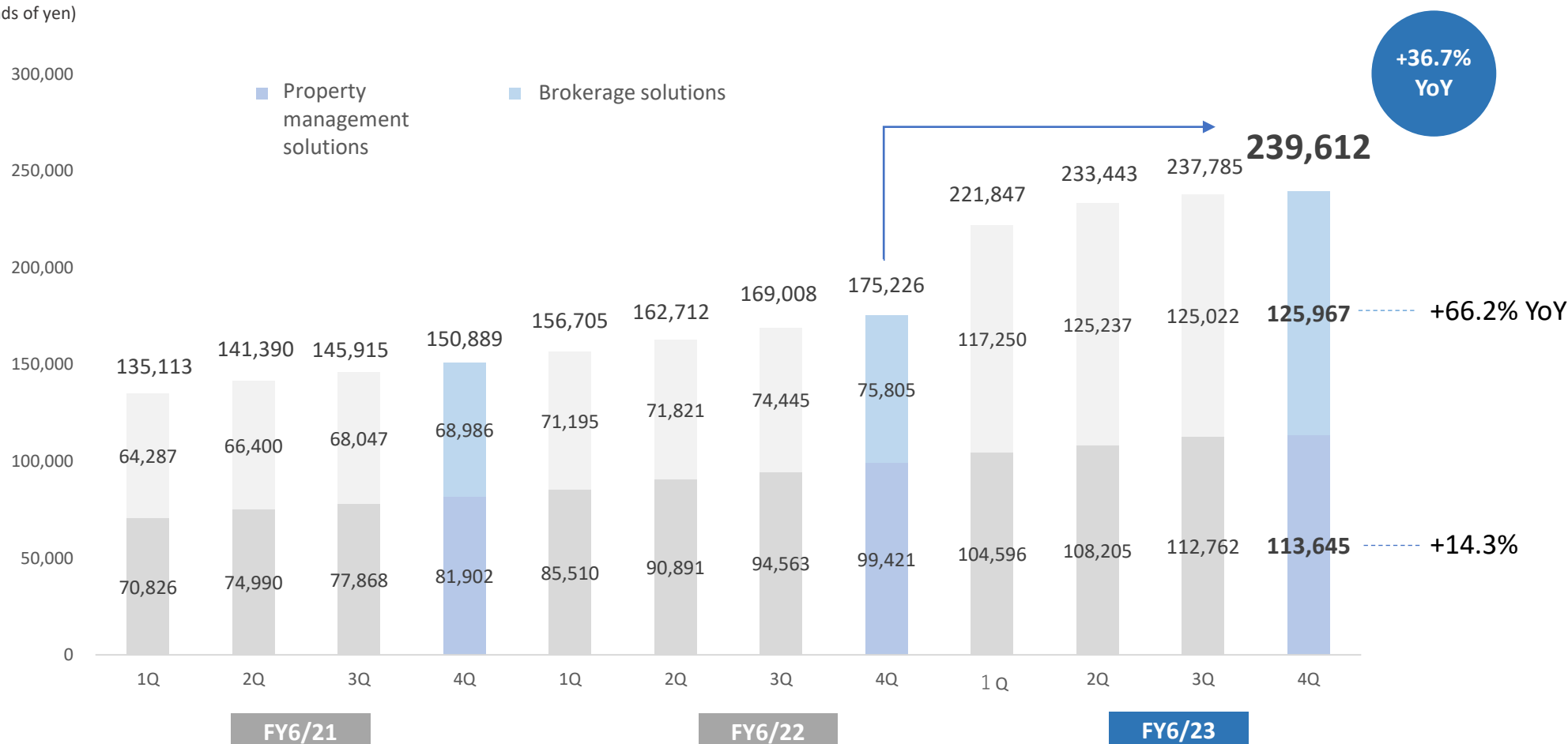
Property Management Solutions

MRR was **up 14.3%** YoY because of increasing monthly fee income from the core Chintai Kakumei service.

Brokerage Solutions

MRR was **up 66.2%** YoY including the addition of ReaPro fee income due to the acquisition of RealNetPro.

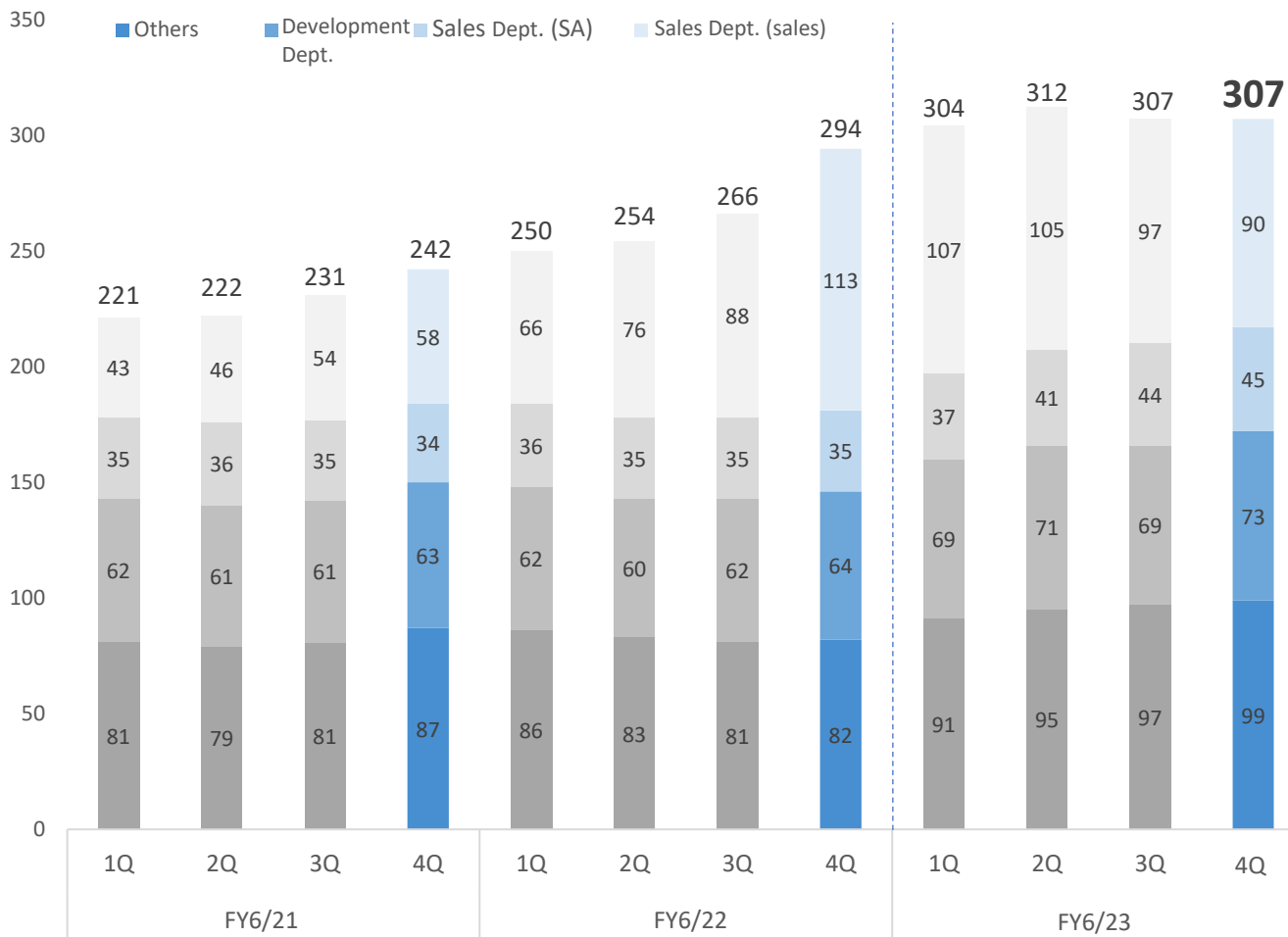
(Thousands of yen)



*MRR stands for monthly recurring revenue earned repeatedly every month; monthly ordinary profit.

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

Shifting from a policy centered on increasing the workforce to a strategy of placing emphasis on training and support operations for salespeople in order to raise sales per individual. Also planning on raising sales by each salesperson by reexamining sales strategies and using sales methods created for specific 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 assisting 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



Increasing Number of Companies Using the e-Apartment Application and E-contract Services

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


Online apartment application
e-apartment application



No fees

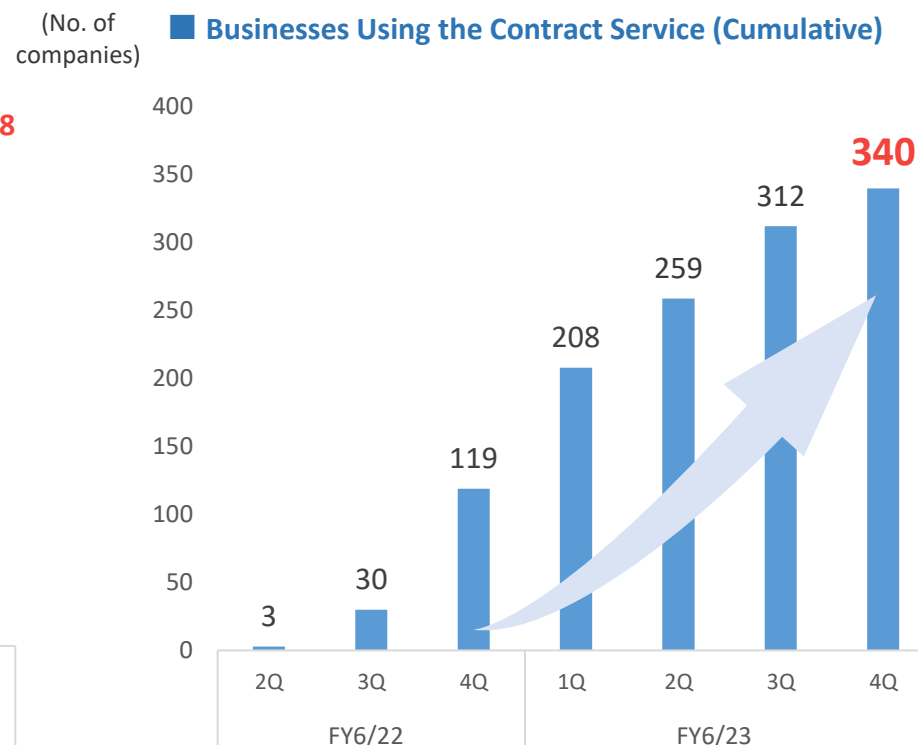
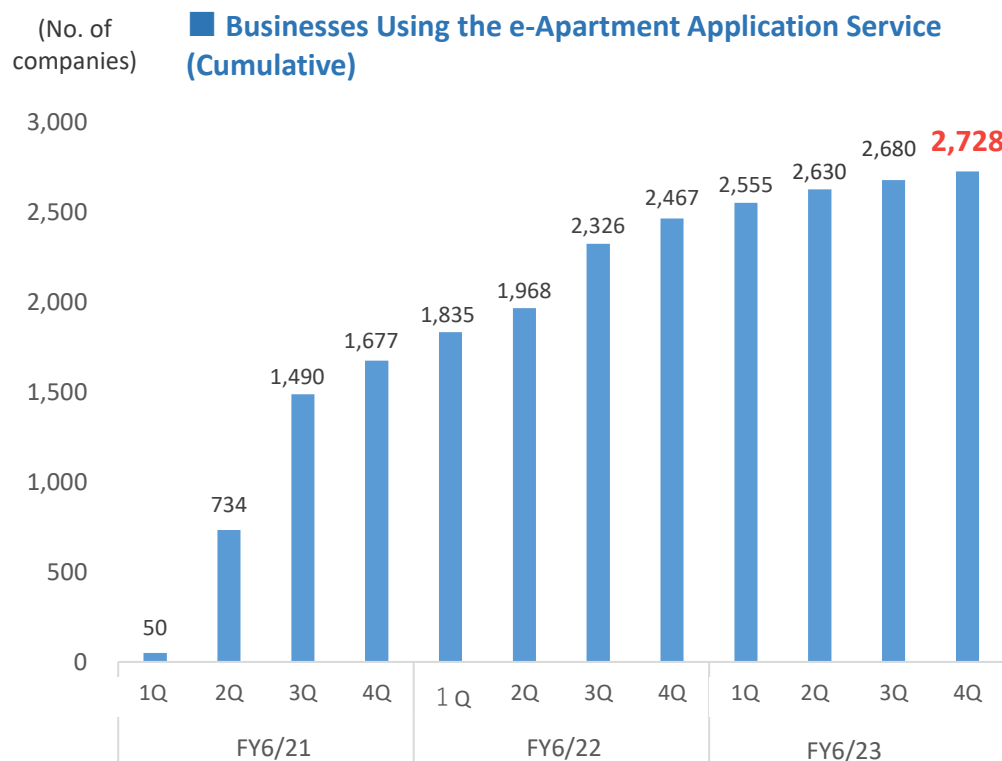
The e-apartment application is a service for rental property management companies that allows the entire application process to be completed online, a **pre-contract step**. There is no need for handwritten applications, facsimile transmissions or telephone calls, which results in much higher productivity for these companies.

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.



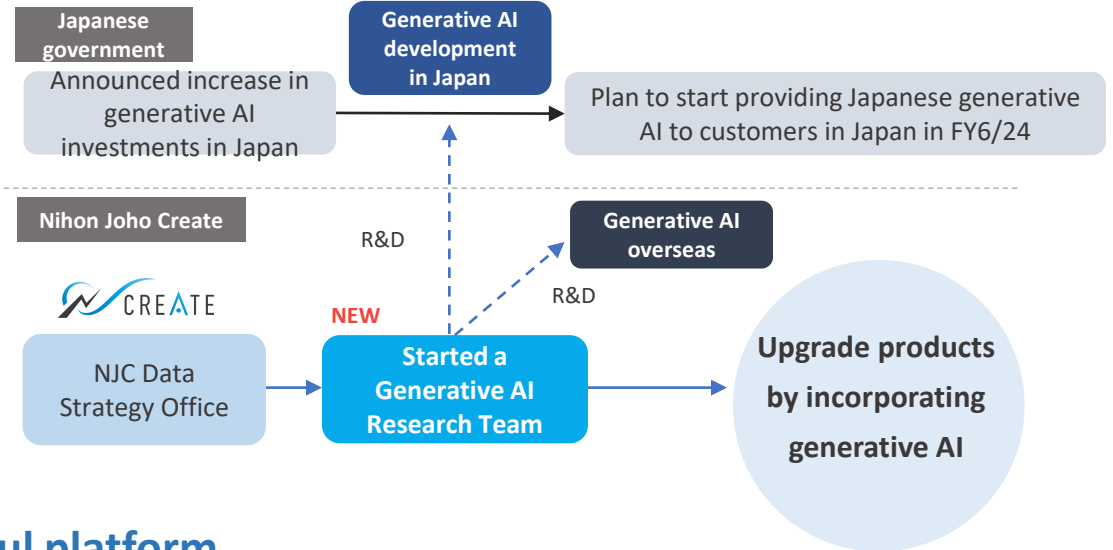
More Activities for CRIX Sales and Regenerative AI R&D as the Japanese gov't Raises Generative AI Investments

Plan to start providing the Create Rental Housing Index (CRIX) by using a major data vendor

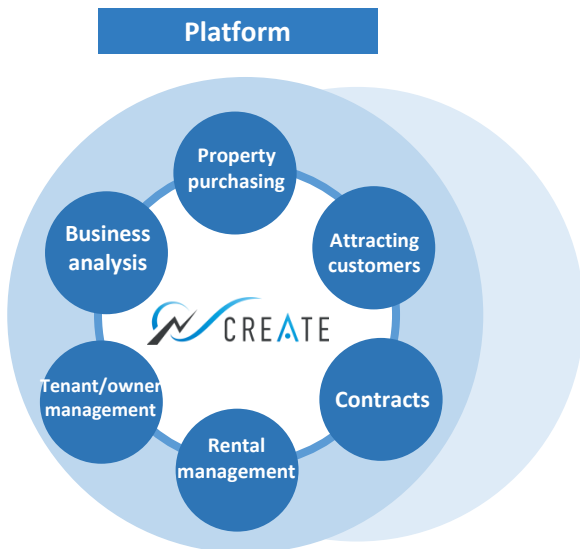
NJC is selling indexes about residential rent and vacancies by using its massive quantity of residential rental property management data (big data). We plan to start using a major data vendor to provide this information.



More R&D programs with the goal of using generative AI to upgrade products and services



Alliances with companies for building a powerful platform



E-payment service linkage

Linkage with NJC's e-apartment application service for real estate companies improves the efficiency of many tasks.

- LEQUIOS Co., Ltd.
- Chintai Hosyo Support Co., Ltd.



* Established alliances with 47 companies, including these two new 4Q alliances

Sales and Earnings Plan for FY6/24

-Final Year of Three-year Plan-

Sales and Earnings Plan for FY6/24

Planning on sales and earnings growth (and return to high profitability) by using M&A, developing new products, adding sales offices, and investing in people.

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

(Millions of yen)	FY6/22 results	FY6/23 results	FY6/24 plan	YoY change (FY6/23 results vs. FY6/24 plan)
Net sales	3,053	3,770	4,400	+16.7%
Gross profit	2,261	2,486	2,900	+16.6%
Gross profit margin	74.0%	66.0%	65.9%	-0.1 pt
Operating profit	500	329	700	+112.3%
Operating margin	16.4%	8.7%	15.9%	+7.2pt
EBITDA	572	661	1,040	+57.3%
Ordinary profit	538	376	700	+86.2%
Profit	283	185	380	+105.1%

FY6/24 External and Internal Environments

The external environment is positive because of favorable amendments to laws and the chronic labor shortage. The internal environment is also positive because a sound infrastructure has been established by investments in prior years. As a result, business operations are well positioned to accomplish the FY6/24 plan.

External environment

- ✓ Real estate DX market: Higher demand for real estate DX due to amended laws
- ✓ Real estate working environment: Continuation of aging population and chronic labor shortage
- ✓ The number of real estate companies: More real estate companies

Internal environment

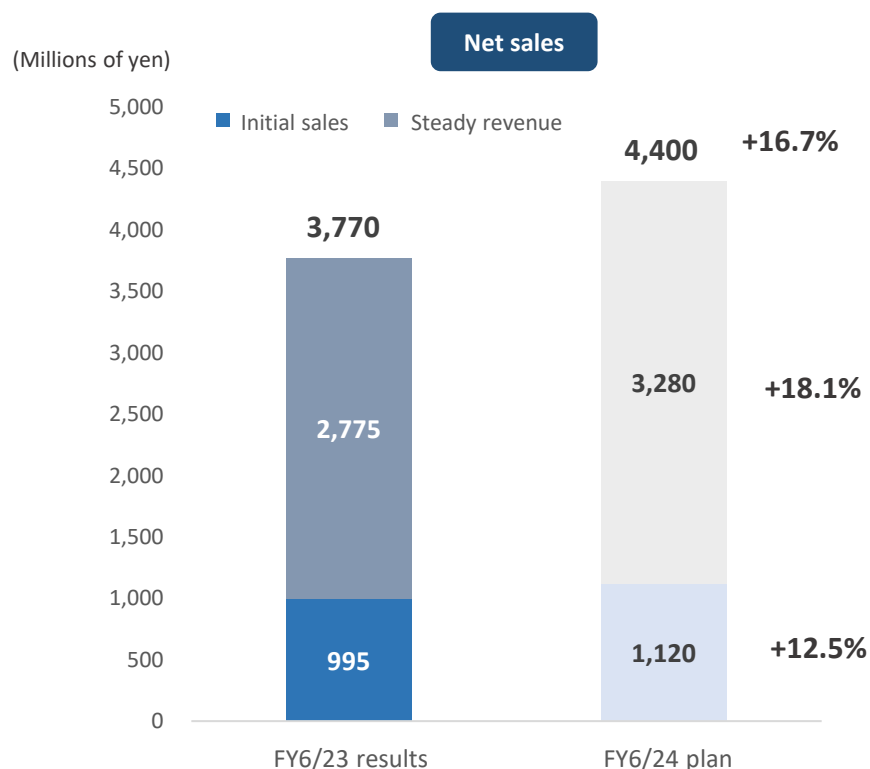
- ✓ Products and services: A sound lineup of products and services for sales/earnings growth
- ✓ Salespeople: Sufficient sales resources for accomplishing the FY6/24 plan
- ✓ Offices: Powerful framework for customer support backed by 30 offices nationwide

FY6/24 Plan vs. FY6/23 and 1H/2H Balance of Operating Profit

Planning on a 12.5% increase in initial sales, which are sales for starting services received from new customers and for sales to current customers. Planning on higher steady revenue due to an increase in monthly fees as new customers are added and to a consistently low cancelation rate. Anticipate growth of operating profit in the second half.

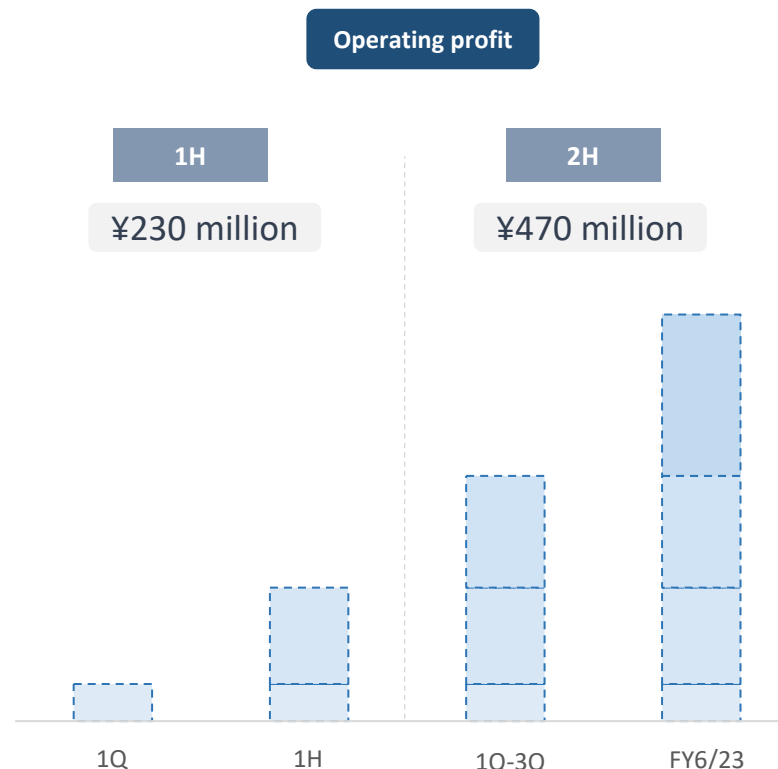
■ Sales Plan vs. FY6/23

A plan has been established that is realistic and reflects the utilization of sales resources that have been strengthened during the past few fiscal years.



■ Approximate Outlook for Operating Profit in FY6/24

Operating profit is expected to increase with sales growth due to the end in FY6/23 of major investments. The plan has a big operating profit increase in the second half because of the expected growth of steady revenue.



Final Year of Three-year Plan Key Performance Indicators (FY6/22 to FY6/24)

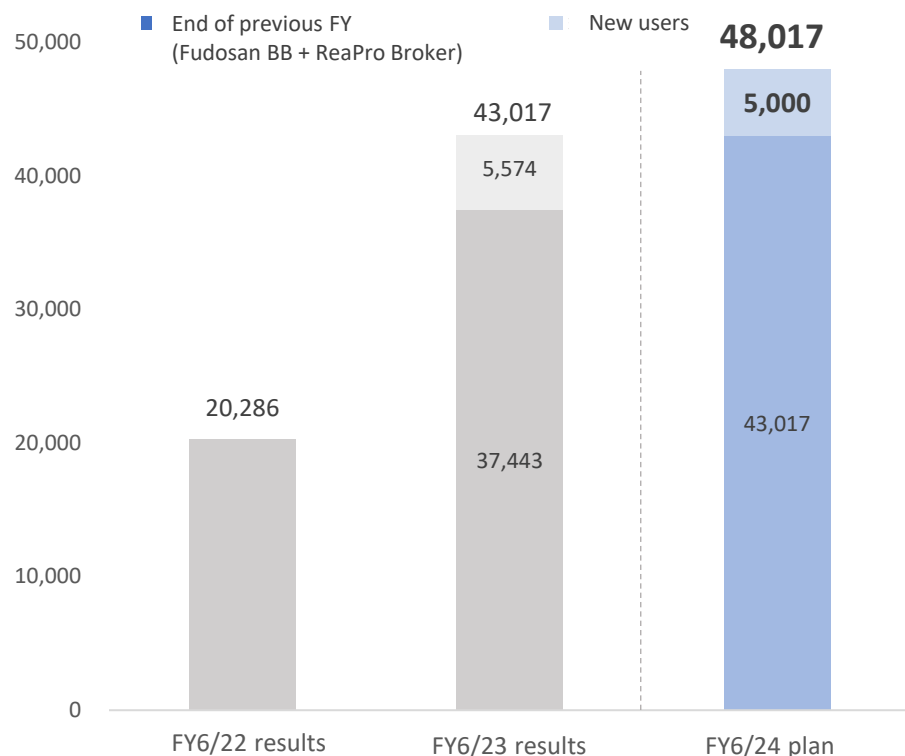
■ Users of free B-to-B services (Fudosan BB and ReaPro Broker)

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

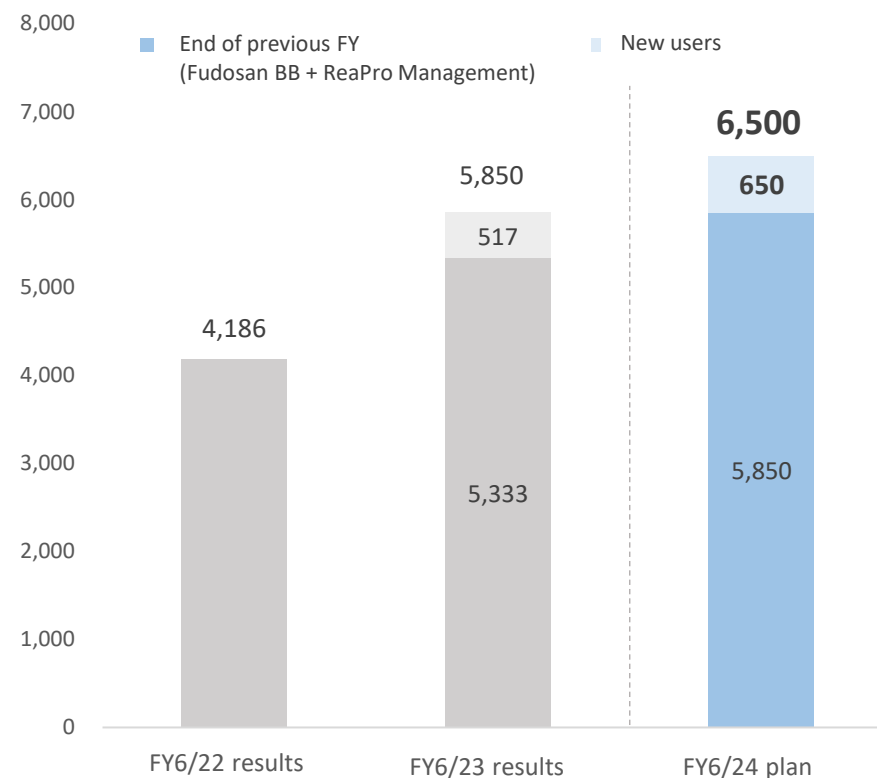
■ Users of services provided for a fee

Now: Many fee-service cross-selling activities targeting the growing number of free service users
 Goal: Steady growth while raising productivity per employee

(No. of companies)



(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.

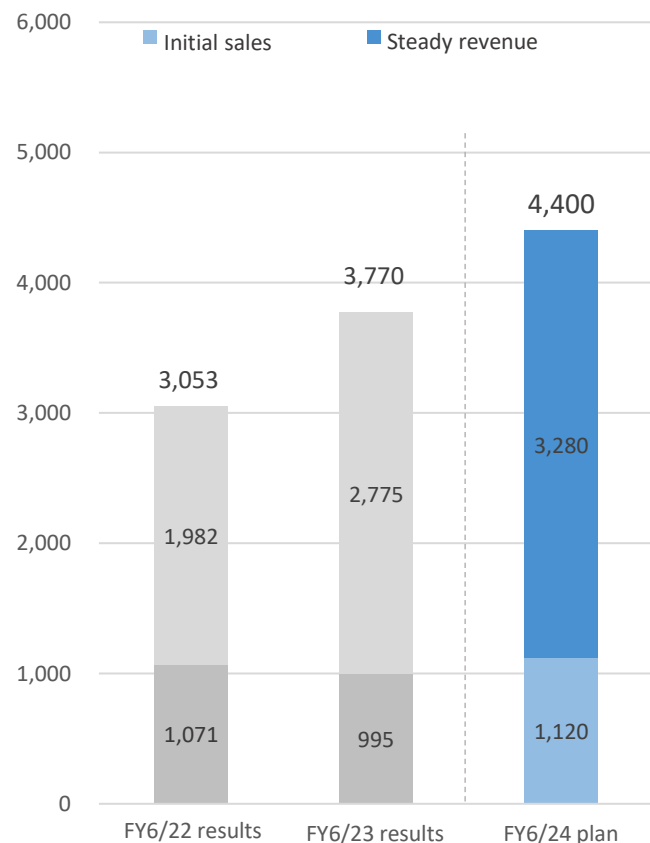
* The 1,147 companies (excluding ones that also use an NJC service) of ReaPro Management (with a fee), which was acquired by NJC, were added to the number of users of services with fees at the beginning of FY6/23.

Final Year of Three-year Plan Key Performance Indicators (FY6/22 to FY6/24)

■ Sales plan (Initial vs. Steady revenue)

Now: Sales were in line with the revised plan
 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.

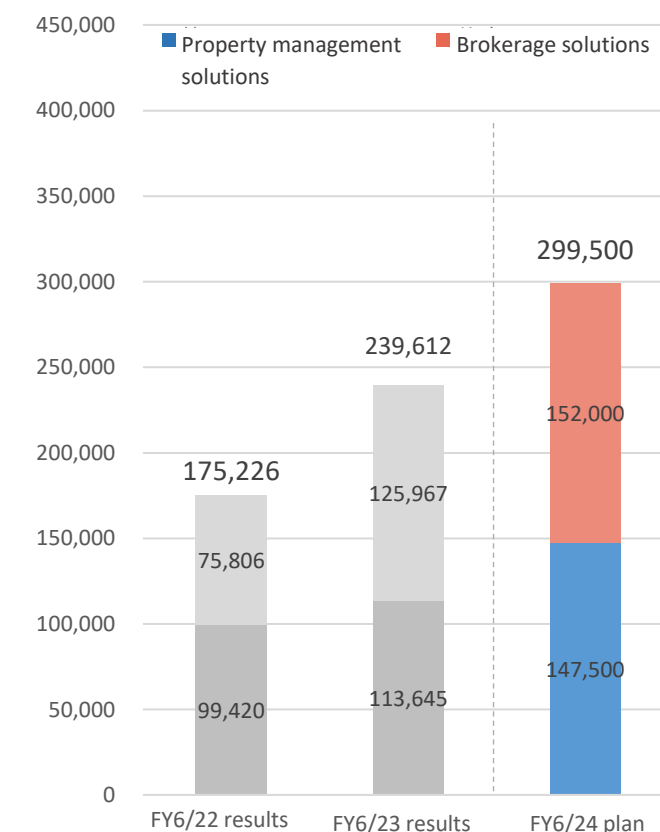
(Millions of yen)



■ Monthly recurring revenue plan

Now: Revenue increased 36.7% YoY, but below the revised plan
 Goal: Parts of the plan have been pushed back but still aiming for medium-term growth

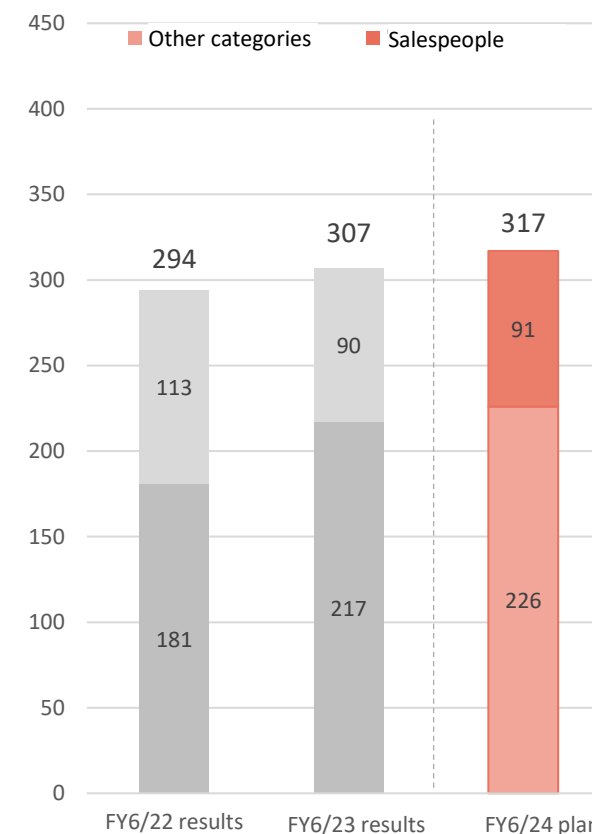
(Thousands of yen)



■ 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 stands for monthly recurring revenue earned repeatedly every month; monthly ordinary profit.

Vision for the NJC Group's Growth

Vision of the NJC Group

DX support for real estate companies nationwide



Use of a platform to support even more companies

Creation of new value in the real estate industry



Faster DX by Using an Integrated Product Lineup for Real Estate Companies Nationwide

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> <p>Create Rental Housing Index</p> <p>Data provision service using an index for residential rental property rent and vacancies</p> <p>CRIX create rental housing index</p>	

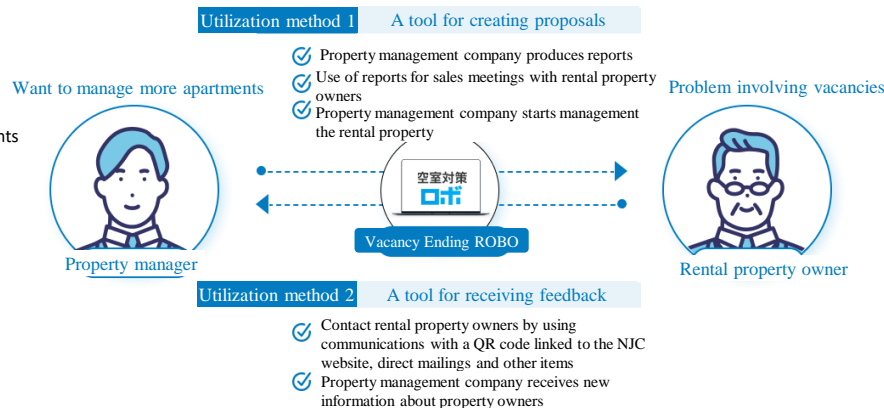
More Fully Linked and Integrated Products and Services | Add new solutions that utilize data

Released on August 10

For real estate companies that want to manage more apartments



Vacancy Ending ROBO



Use of big data/AI to create logical ideas for filling vacant apartments!

NJC uses AI and big data of real estates with more than 10 billion data entries consisting of national government statistics, data collected by NJC and other information to generate a Full Occupancy Strategy Report for individual properties. By using the Vacancy Ending ROBO, anyone can produce a quality report for ending vacancies with ease.

Unification of products for creating Japan's largest B-to-B property listing service

Development under way for unification

Fudosan BB
不動産BB



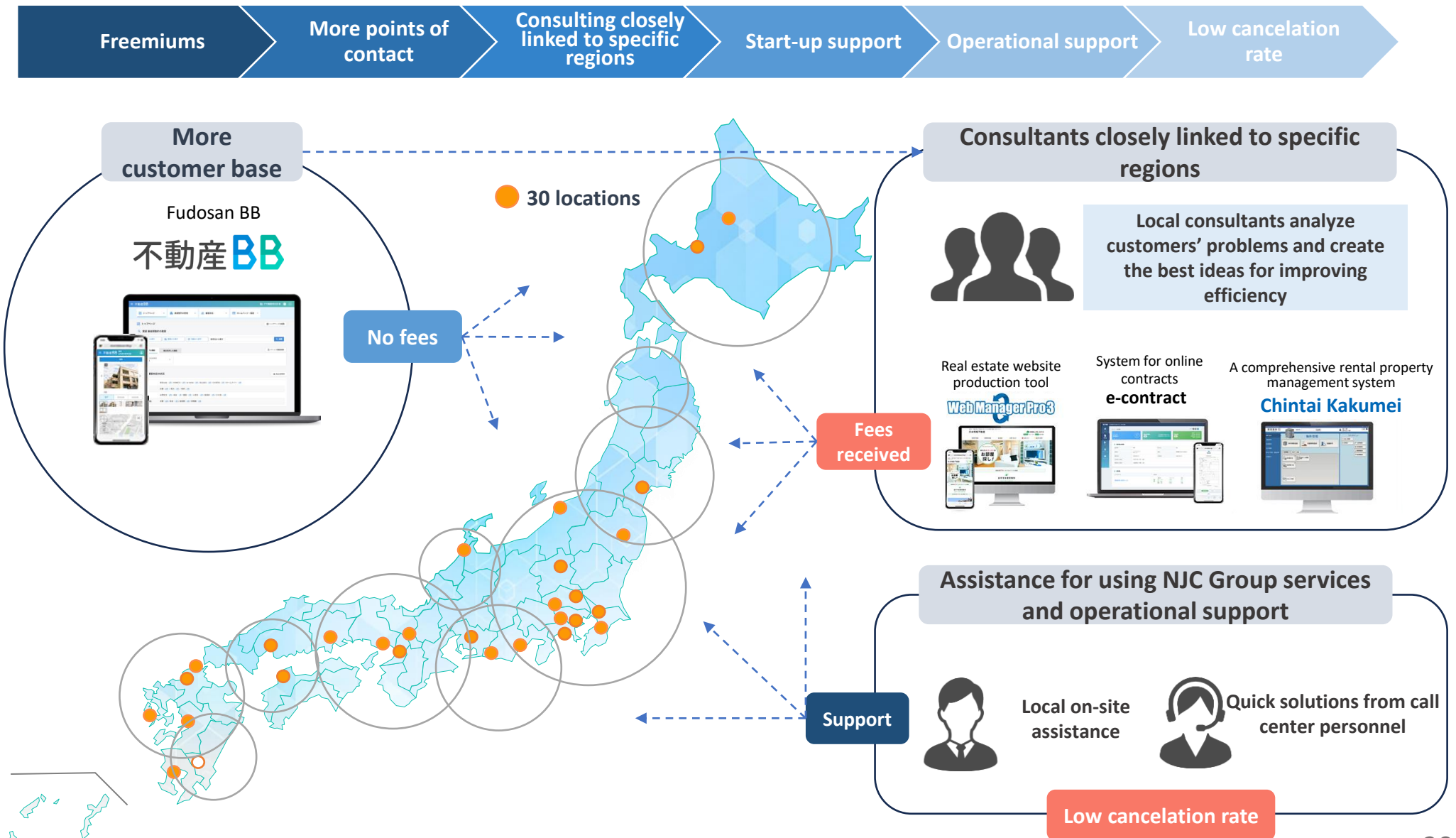
ReaPro

リアプロ



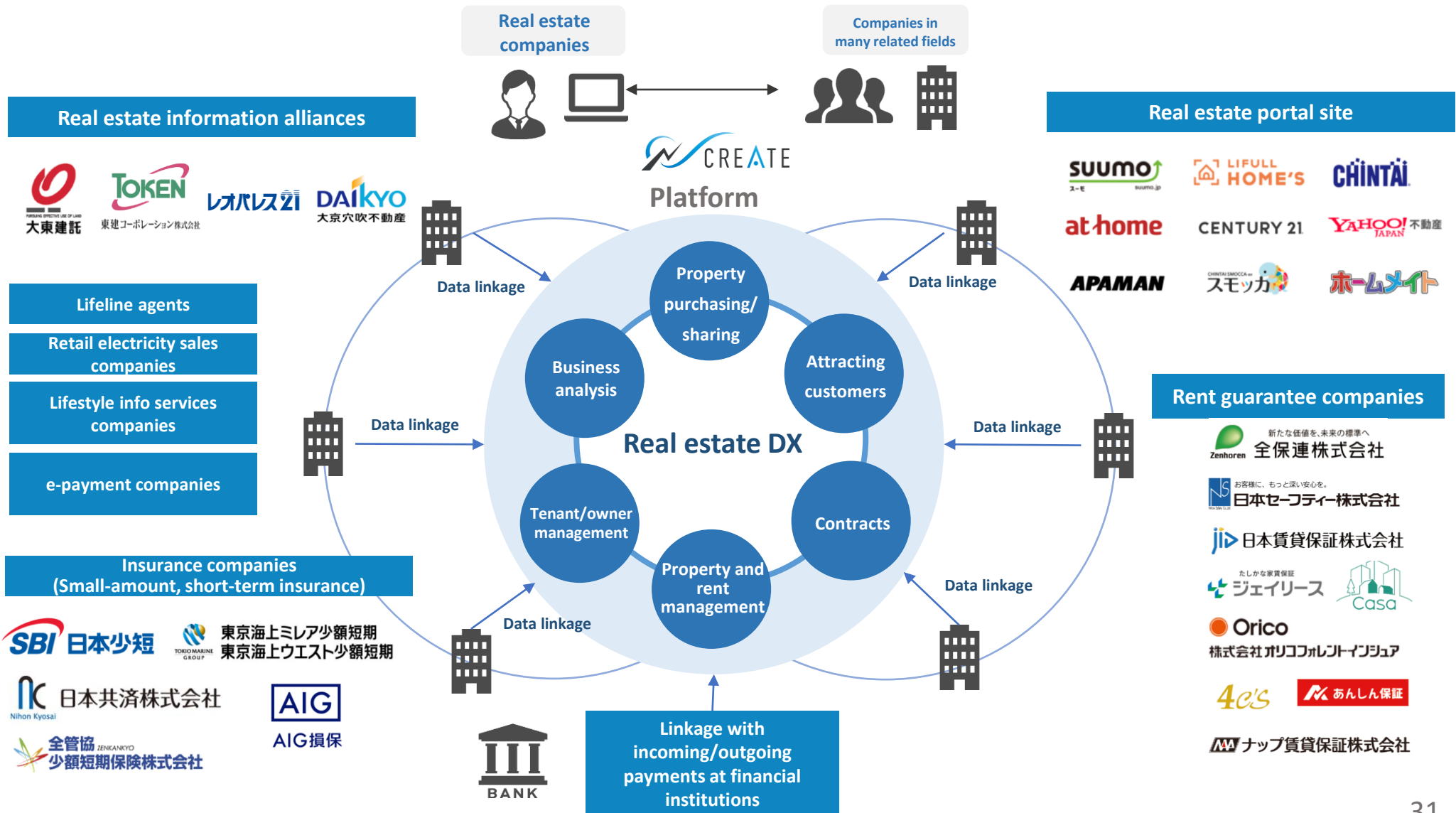
- Integration of member/property data to create Japan's largest service
- Also improves the efficiency of developing services within the NJC Group
- The unified service is expected to require the payment of a fee. Fudosan BB is currently free but the goal is to make this a self-reliant source of revenue.

More free services for ideas for higher efficiency at companies shifting to digital technologies. Sustainable support by using consultants and assistance for using NJC Group services provided by 30 offices nationwide.



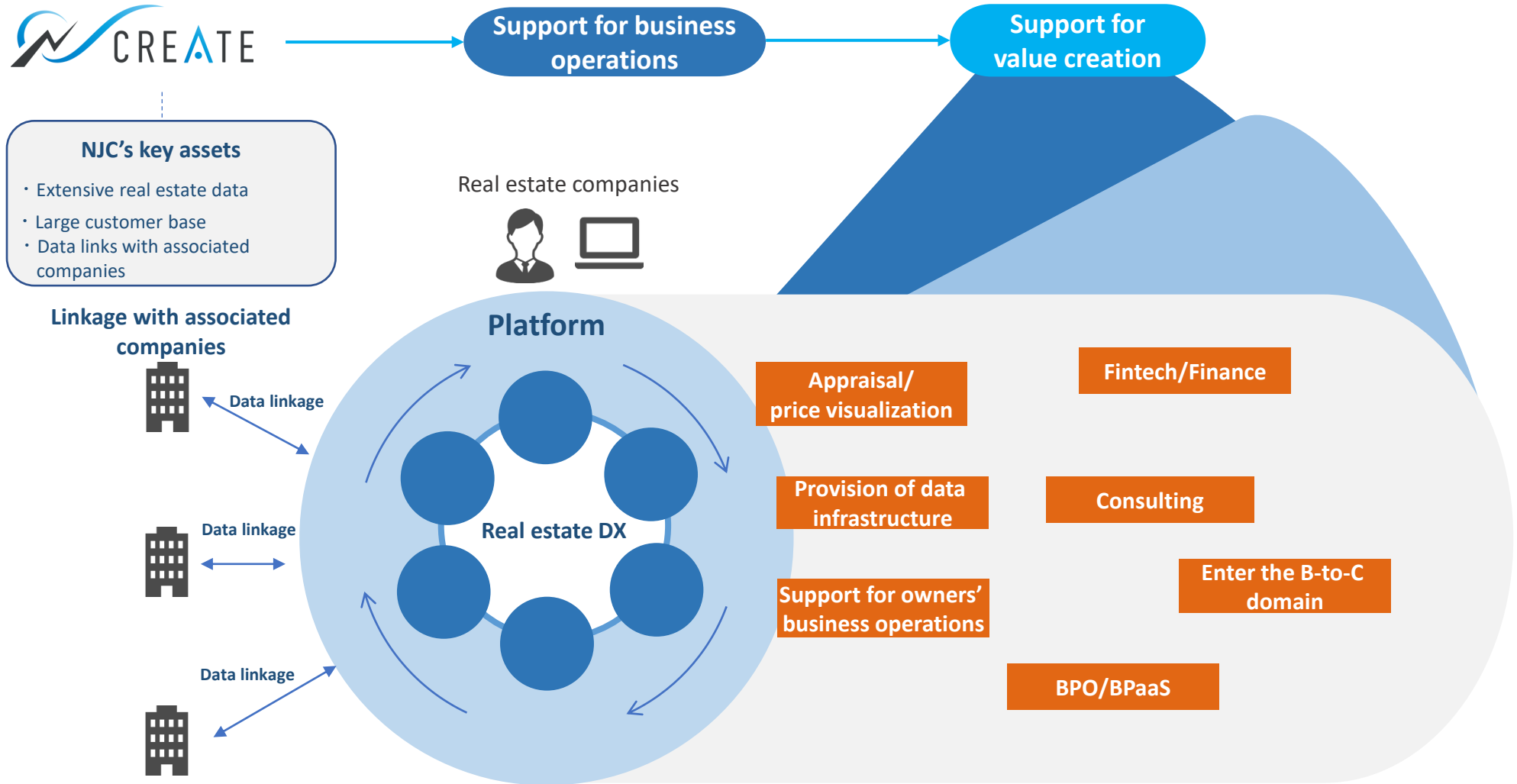
A broad range of services for real estate brokers and rental property managers using a platform

Application programming interface (API) linkage (data linkage) improves the efficiency of business processes of real estate companies as well as of the procedures of companies related to the real estate industry.



Creation of new value in the real estate industry

Our goal is to create new forms of value by using our key assets of extensive real estate data, a large customer base and data links with companies related to the real estate industry.



Appendix

Three-year Growth Strategy | FY6/22- FY6/24

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.

Shift from a business model that builds up low-profit capital (cash) to highly profitable capital, such as M&A and distributions to shareholders. There is no information about potential future M&A transactions that can be disclosed at this time.

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)

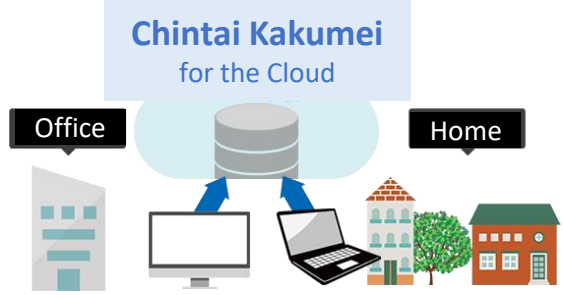
Passage of digital reform laws

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 7,000 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



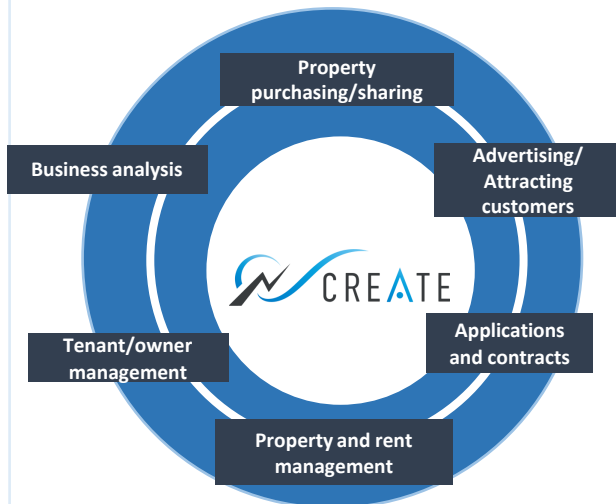
Source: Statistics for Homebuilders and Residential Land and Building Transaction Brokers, end of fiscal 2018, Real Estate Transaction Improvement Organization and Number of Residential Land and Building Transaction Companies, Ministry of Land, Infrastructure, Transport and Tourism

Summary of the Three-year Plan

Internal factors - NJC plans to grow rapidly along with the real estate industry DX

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

A platform encompassing all real estate business processes



Recruiting and Network Expansion

Continue upgrading sales consulting linked to local markets, a core strength of NJC. The digitalization of Japan's real estate companies will require a nationwide network of physical offices and more sales consultants. 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

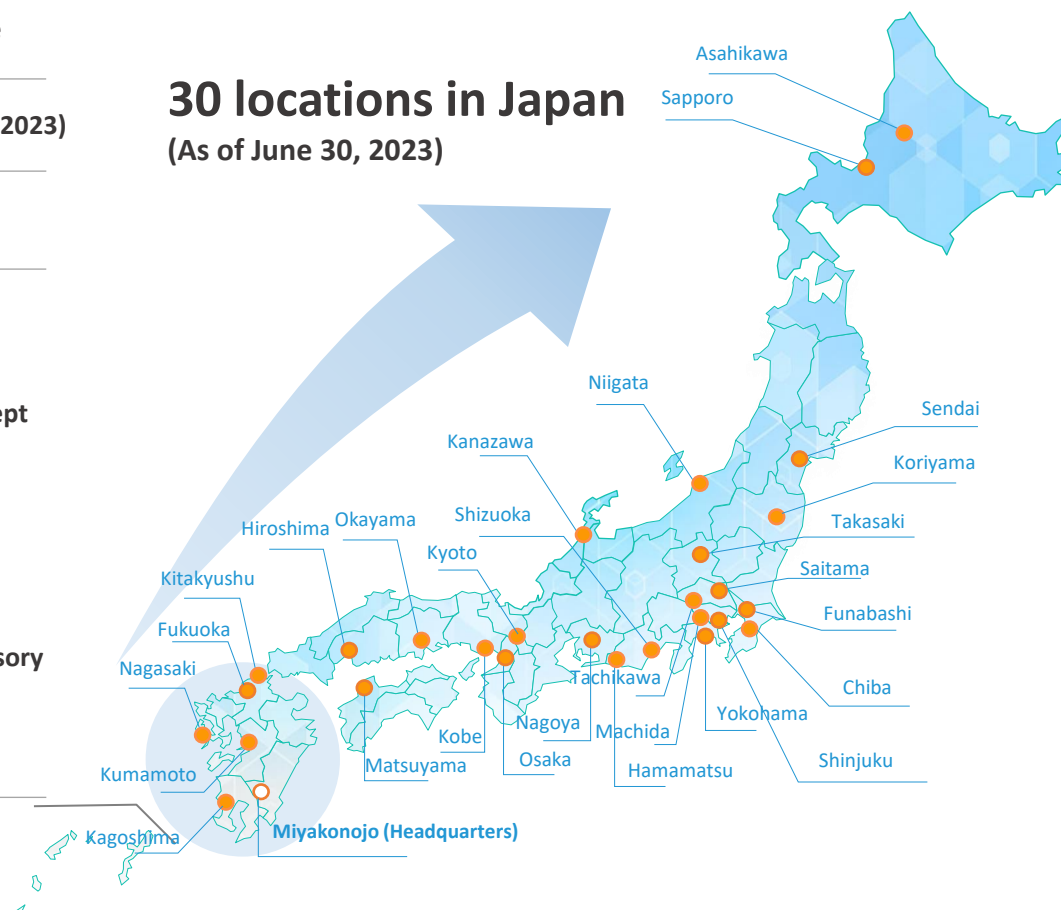


Company Profile

Company name	Nihon Joho Create Co., Ltd.
Establishment	August 1994
Location	13-18 Kanmachi, Miyakonojo-shi, Miyazaki prefecture
Number of employees	335 including 307 full-time employees (As of June 30, 2023)
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>Setouchi 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/Utsunomiya/Yokohama/Machida
Osaka/Kyoto/Kobe/Kanazawa/Nagoya/Hamamatsu/Shizuoka
Hiroshima/Okayama/Matsuyama/
Fukuoka/Kitakyushu/Nagasaki/Kumamoto/Miyazaki (Headquarters)

30 locations in Japan (As of June 30, 2023)



Make our competitive superiority even stronger and capture a larger share of the real estate digital transformation market

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 large sales network</p>	<p>Support</p>	<p>Market share</p>	<p>Expertise acquired over 29 years</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>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>A nationwide IT system advisory network to assist customers after starting to use Nihon Joho Create's service; support includes remote assistance by Nihon Joho Create's own call center and other forms of support</p>	<p>The rental management system market has high barriers to new entrants because of the complexity of rental management tasks. Nihon Joho Create has a large share of this market. Furthermore, up-to-date property data is used for new analysis services.</p>	<p>As the speed of the DX increases, there are regional rules in the real estate sector and each company uses its own method for digitalization. With 29 years of experience, Nihon Joho Create has the knowledge needed to implement the DX in the best possible manner for the real estate industry.</p>

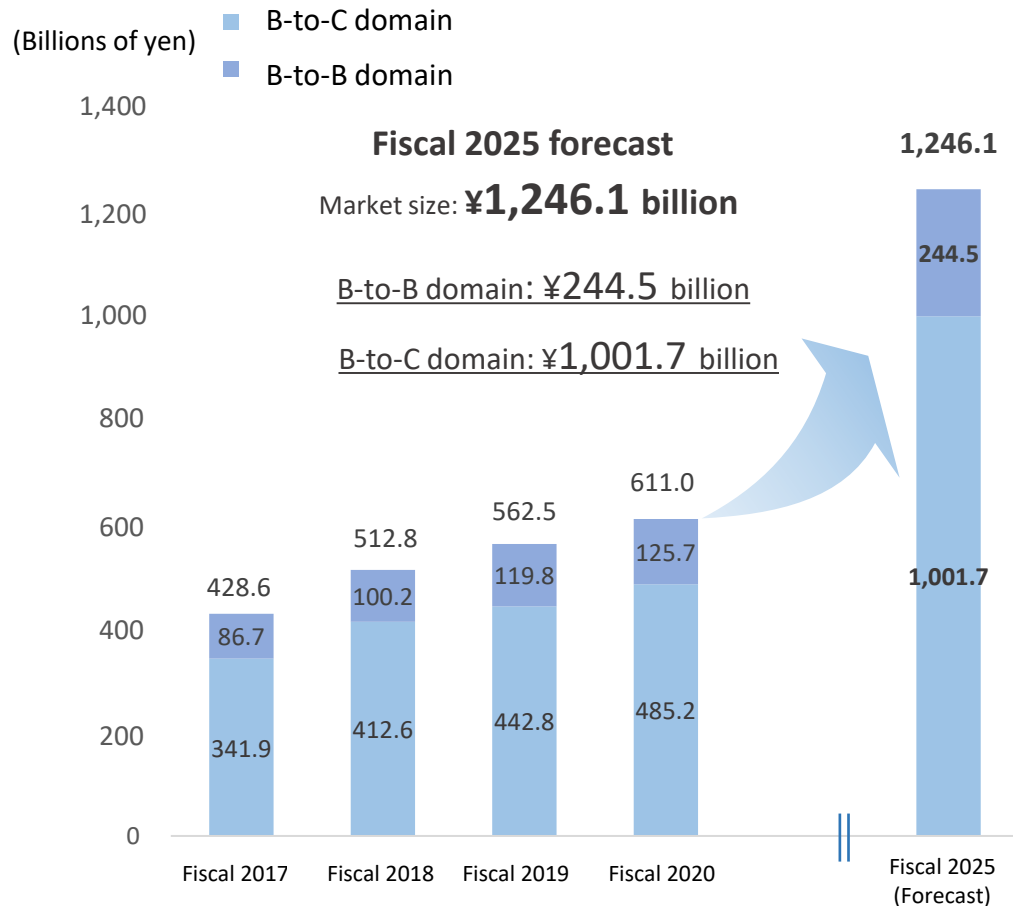
Japan's Growing Real Estate Technology Industry

Rapid growth of [Japan's real estate technology industry](#) is expected, which will increase the need for the products of Nihon Joho Create

Homebuilders in Japan

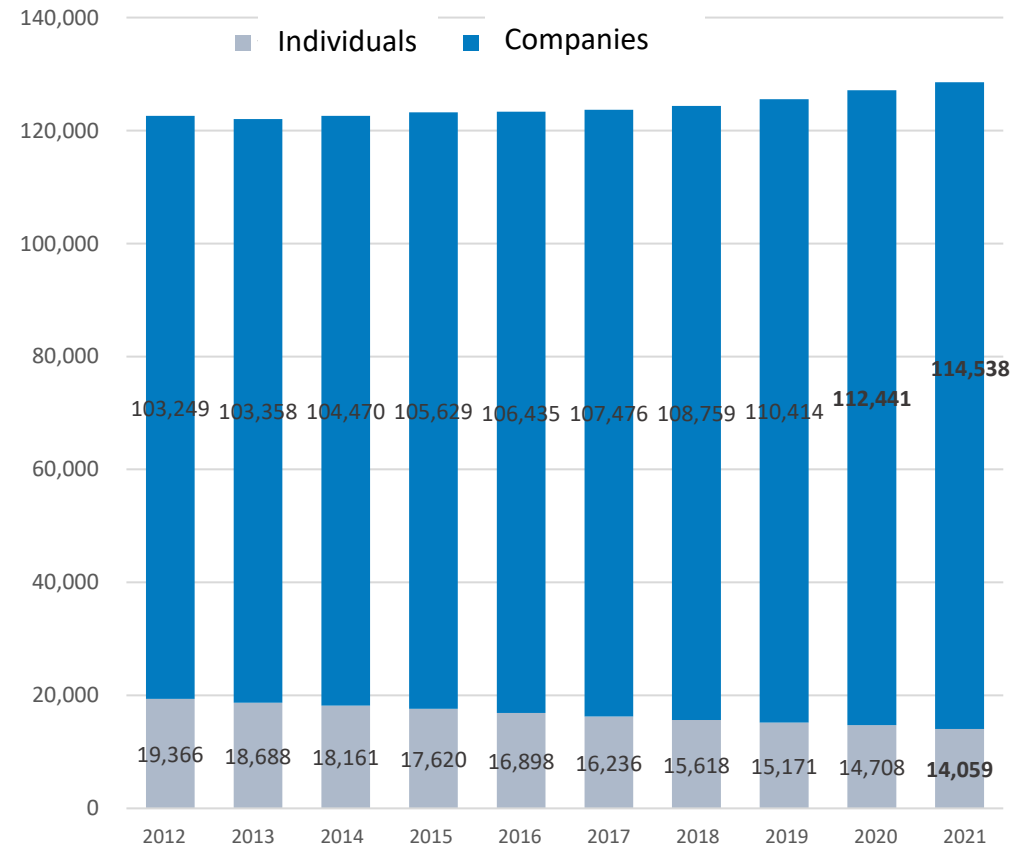
The number of homebuilders has [increased slightly](#), remaining generally [steady at about 120,000](#)
 The number of companies is increasing and the number of operations by individuals is decreasing

■ 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

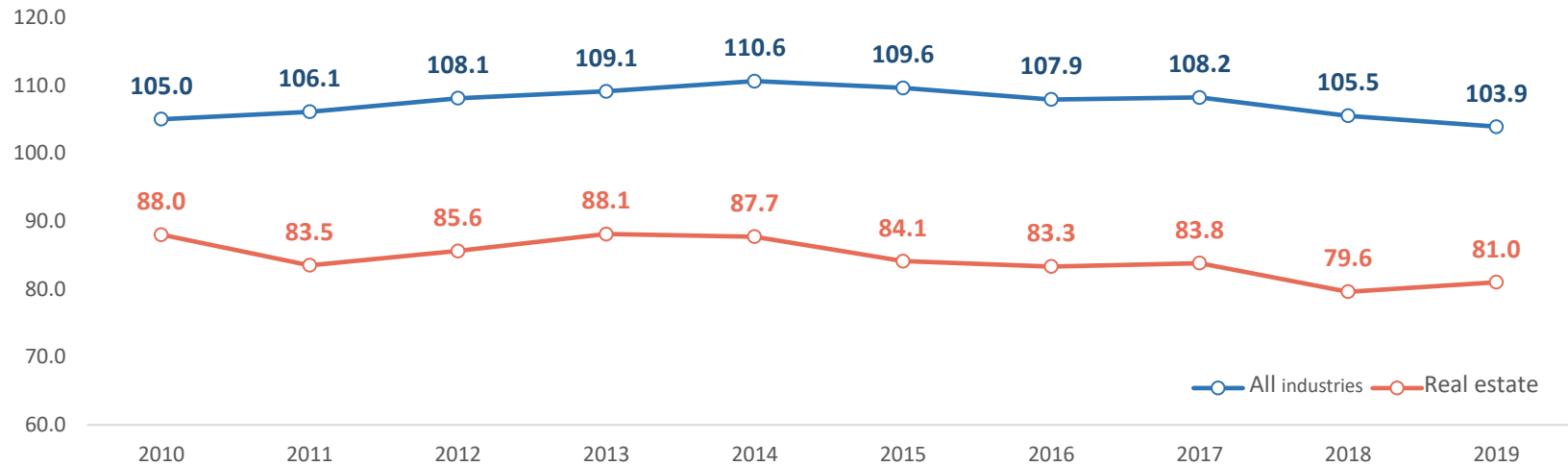
■ Homebuilders in Japan (End of fiscal 2021)



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

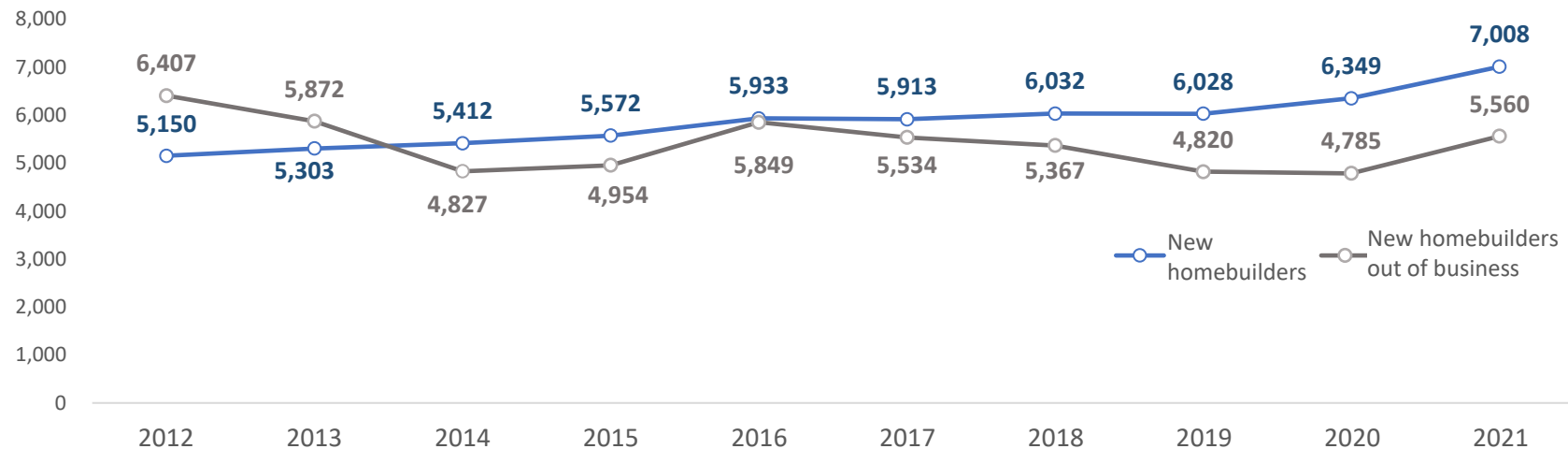
Real Estate Industry Labor Productivity and Number of Homebuilders

■ 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

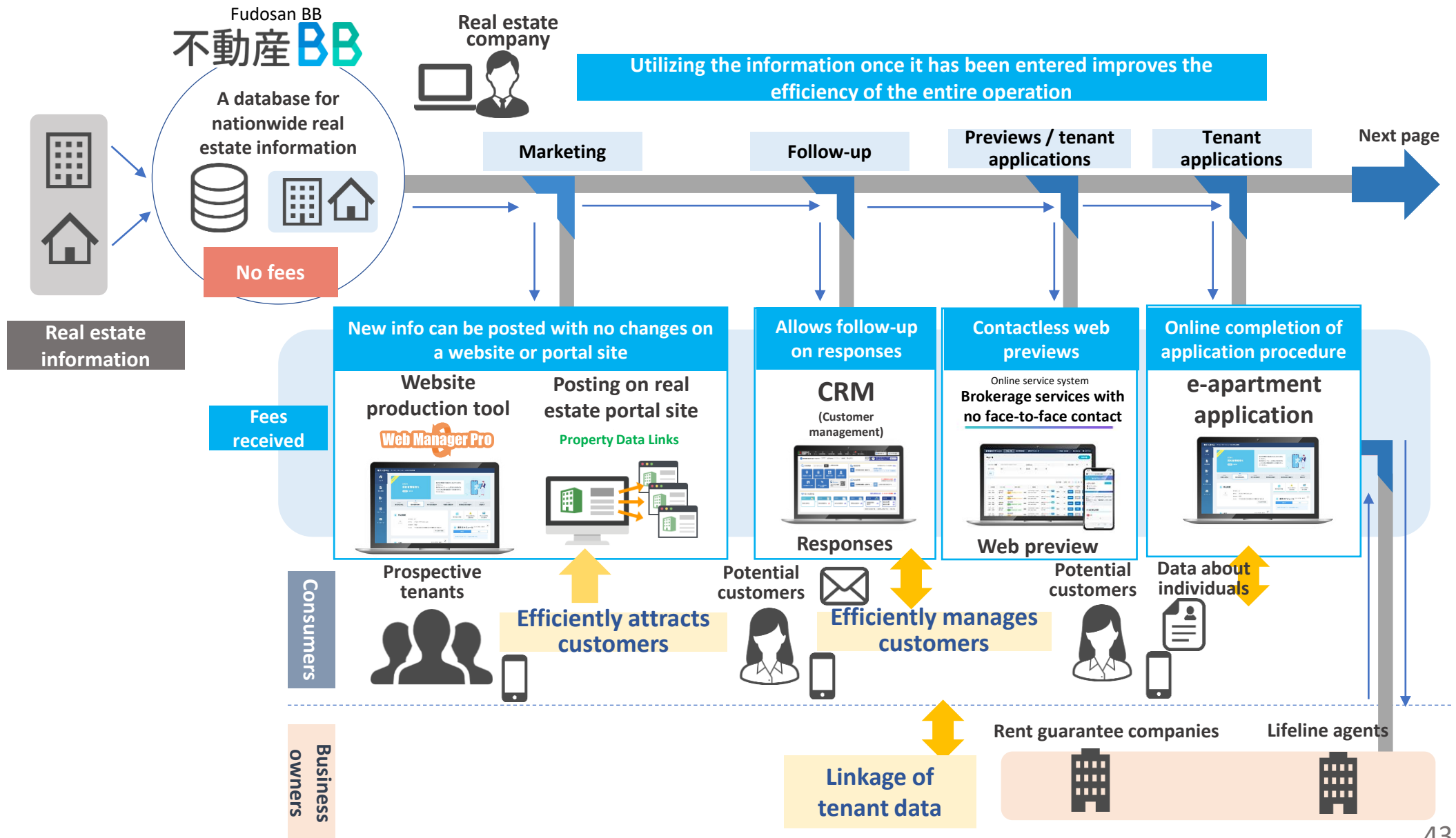
■ Change in number of homebuilders in Japan



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

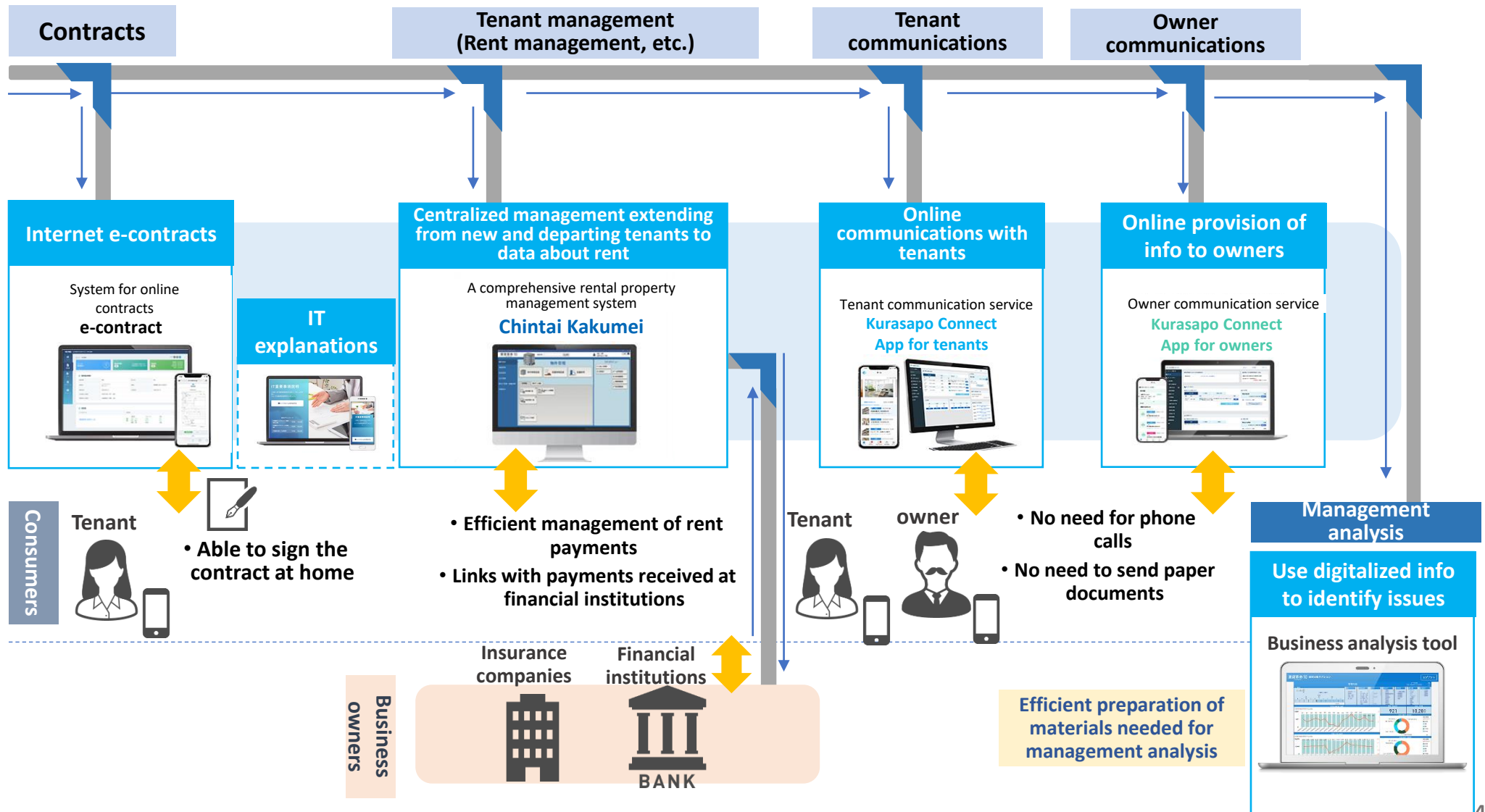
Use of Freemiums for Cross-selling and Upselling

Seamless data linkage for efficiency of all real estate business processes



Use of Freemiums for Cross-selling and Upselling

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

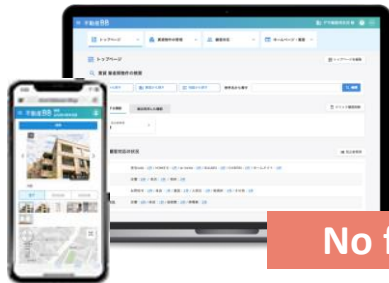


Products and Services

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

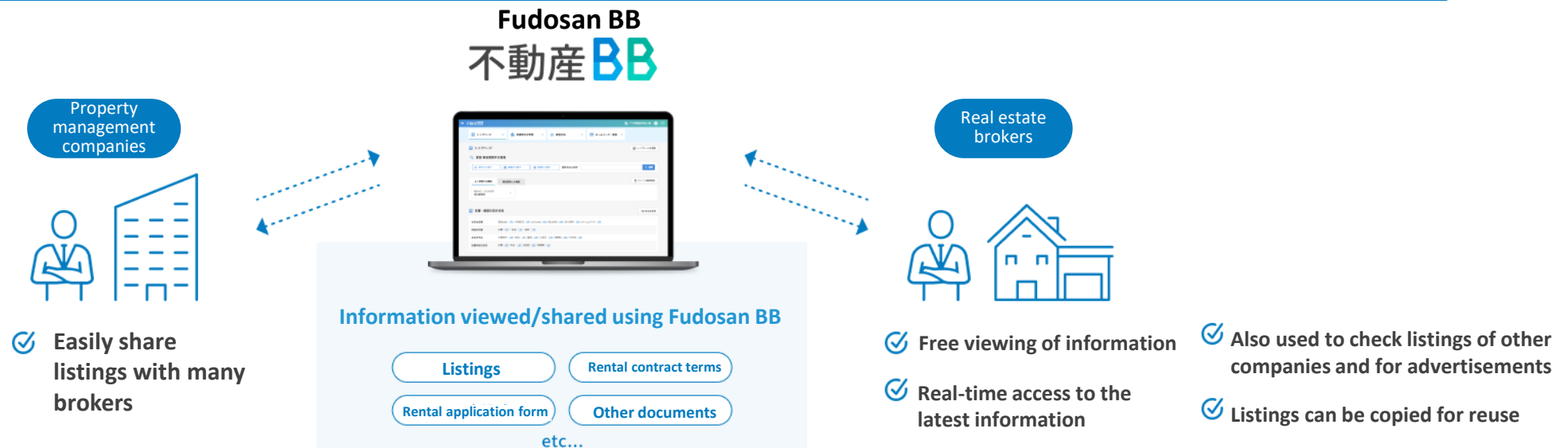
Fudosan BB

Fudosan BB
不動産BB



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

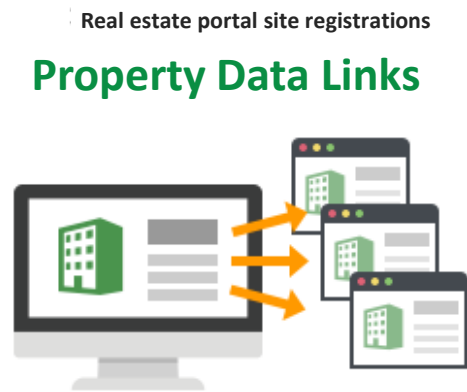
Linkage with Chintai Kakumei and Fudosan BB allows incorporating registered properties in the website. Efficiency is higher due to elimination of the need for manual input of data.



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.

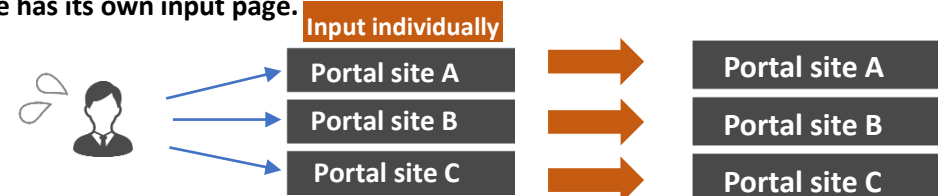
With Property Data Links

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

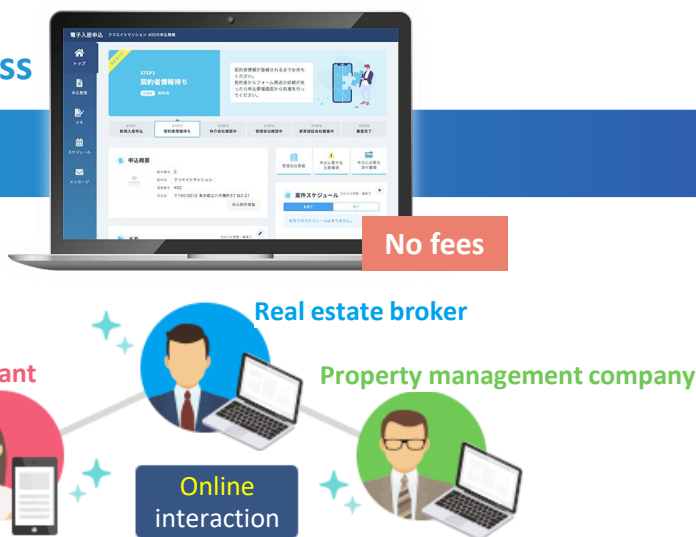
Online service system

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

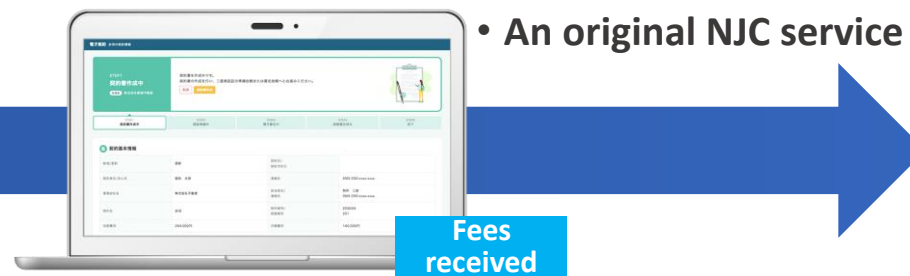
Electronic apartment application

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.

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Precautions Concerning Forward-looking Statements

- This presentation contains forecasts and other forward-looking statements based on information that is currently available. Nihon Joho 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.
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Dedicated to the happiness of
everyone we serve



Nihon Joho Create Co., Ltd.