

Results of Operations for the First Quarter of the Fiscal Year Ending June 30, 2024



Japan PropTech Co.,Ltd

November 14, 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






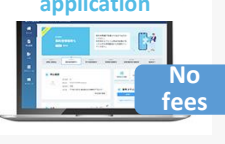








For real estate brokerage companies

For property management

Brokerage solutions

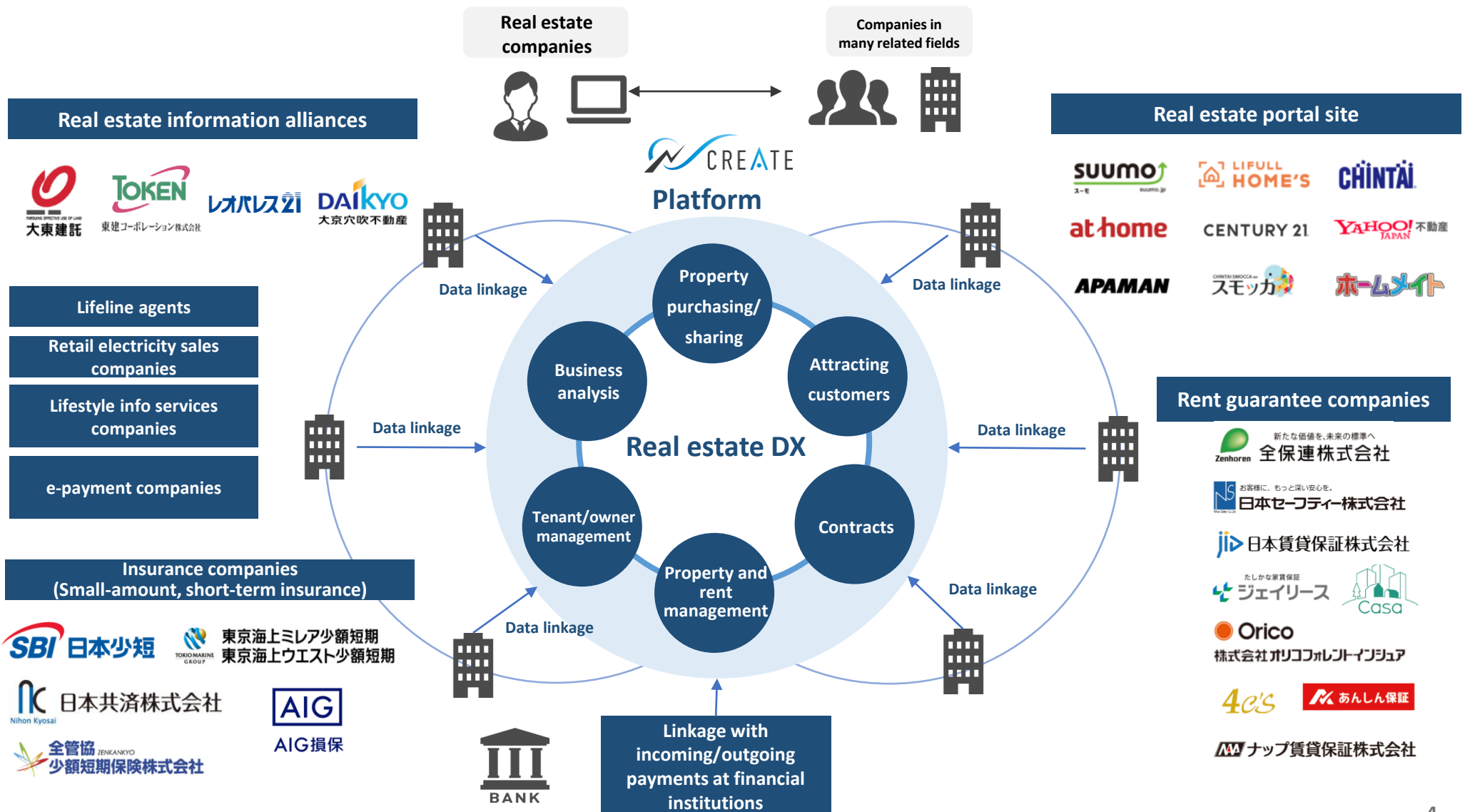
Property management solutions

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>Vacancy Countermeasure robot</p>  <p>Robot to automatically generate full occupancy strategy reports for owners</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> 	

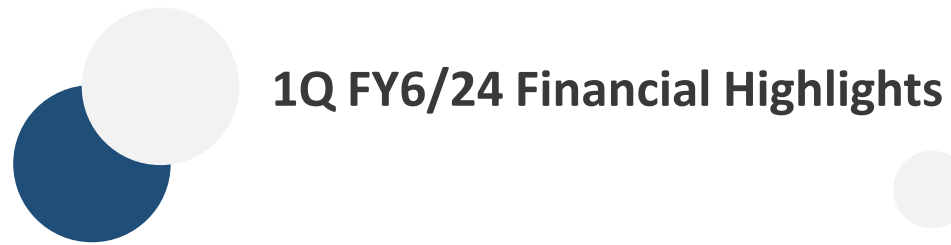
A broad range of services for real estate brokers and rental property managers using a platform

Application programming interface (API) linkage (data linkage) improves the efficiency of business processes of real estate companies.



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Three overlapping circles: a dark blue circle on the left, a light gray circle overlapping it from the top, and a smaller light gray circle to the right.

1Q FY6/24 Financial Highlights

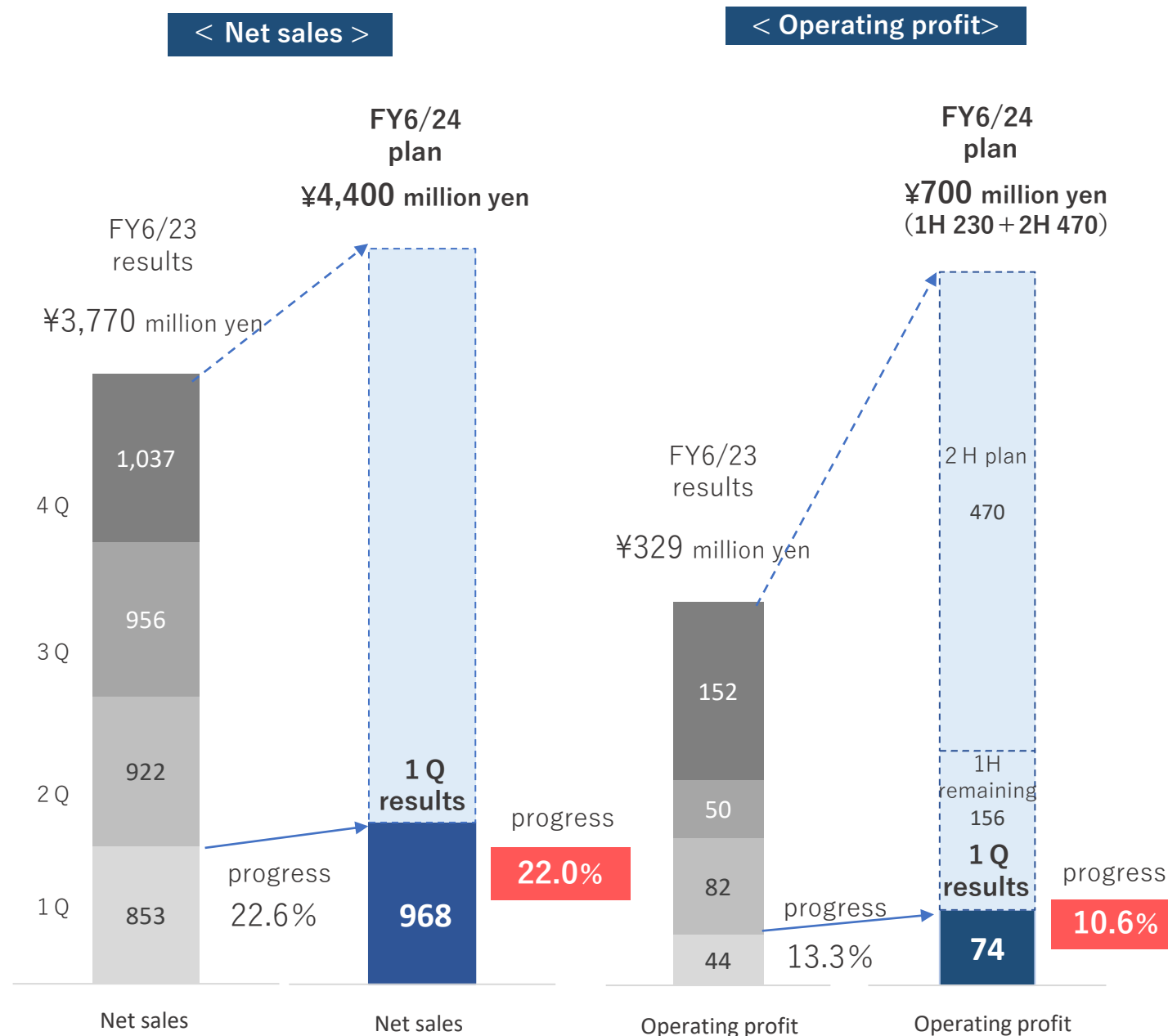
Key Financial Results for the 1Q FY6/24

- Sales progress of 22% as in the previous year, **Performance status as planned.**
- **Real estate-related companies continue to be eager** to invest in DX promotion.
- Steady growth in stock sales **and low and stable cancelation rate.**
- AI-related services are being released.
- Optimize sales force by strengthening marketing.
- We will continue to promote our strengths in 2Q and beyond, and plan to expand sales in 2H and beyond.
- Steadily build up contracts through careful introduction support,
Aim to reduce the cancelation rate and implement a highly profitable business model.

1Q net sales and operating profit started solidly against the full-year plan

■ Plans to increase net sales by over 16.7% this fiscal year and double operating income. The progress rate in the 1Q 6/24 is approximately 22%, the same level as the previous year's results.

■ Operating income was also at the same level as in past years, with a solid start toward the achievement of the full-year plan, despite the heavy emphasis on the 2H of the fiscal year.



1Q Financial Highlights

Net sales YoY + 13.4%

Operating profit YoY + 66.0%

Both net sales and operating income remained steady toward achieving the plan. **Sales in the first quarter were the highest ever.**

1Q FY6/24 Financial Highlights

(Millions of yen)	1Q FY6/23	1Q FY6/24	YoY change	Explanation
Net sales	853	968	+ 13.4%	Net sales remained steady, reaching a record high for the first quarter.
Brokerage solutions	359	385	+ 7.2%	Non-consolidated growth + increase in sales of subsidiary Real Net Pro, Inc.
Property management solutions	485	572	+ 17.9%	New customers and up-selling to existing customers increased in Chintai Kakumei. Stock sales also increased.
Gross profit	597	626	+ 4.8%	Cost of sales increased due to software depreciation and development labor costs, but is expected to improve due to higher sales going forward.
Gross profit margin	70.0%	64.7%	▲5.4pt	
Operating profit	44	74	+66.0%	Both operating income and profit margin increased due to higher sales and flat SG&A expenses.
Operating margin	5.2%	7.7%	+2.5pt	
EBITDA	106	161	+51.8%	
Ordinary profit	95	73	▲23.2%	
Profit	57	42	▲25.8%	

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.

performance_ Quarterly Trends

Net sales increased due to the growth of the parent company and subsidiary RealNetPro. Operating income also increased YoY due to the completion of upfront investment in human resources and base development.

■ 1 Q FY6/24 Financial Highlights | Quarterly

(Millions of yen)	FY6/23 results				FY 6/24 results
	1Q	2Q	3Q	4Q	1Q
Net sales	853	922	956	1,037	968
Brokerage solutions	359	379	388	379	385
Property management solutions	485	533	559	646	572
Operating profit	44	82	50	151	74
Operating margin	5.2%	8.9%	5.3%	14.6%	7.7%
Ordinary profit	95	80	49	150	73
Profit attributable to owners of parent	57	50	26	51	42

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.

Steady Revenue and Initial Sales

Steady revenue

The cancellation rate is also stable at a low level, accumulates steadily each quarter.

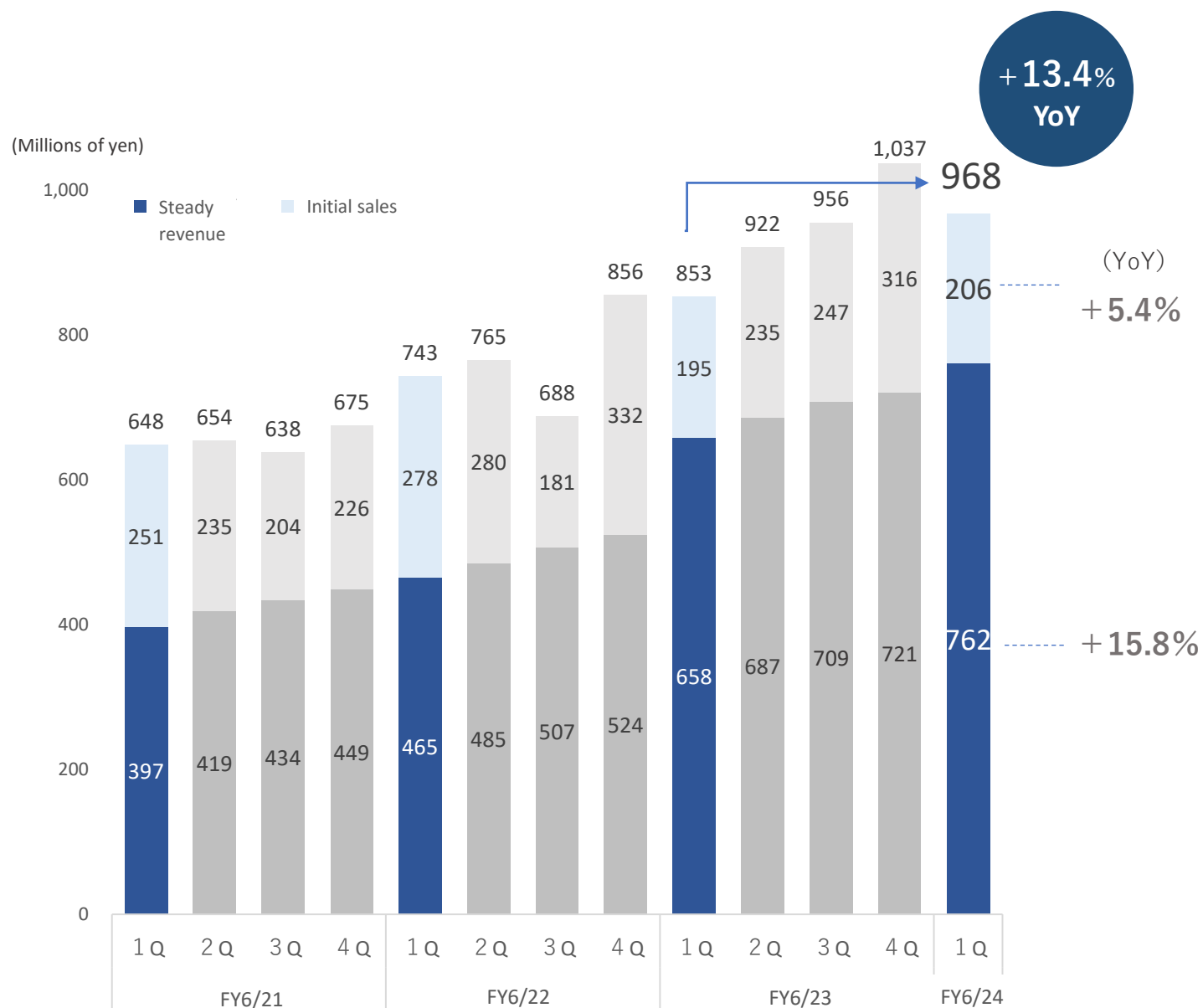
Initial sales

Despite some seasonal factors, net sales increased +5.4% YoY.

※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

FY6/23 Financial Highlights | Steady Revenue and Initial Sales

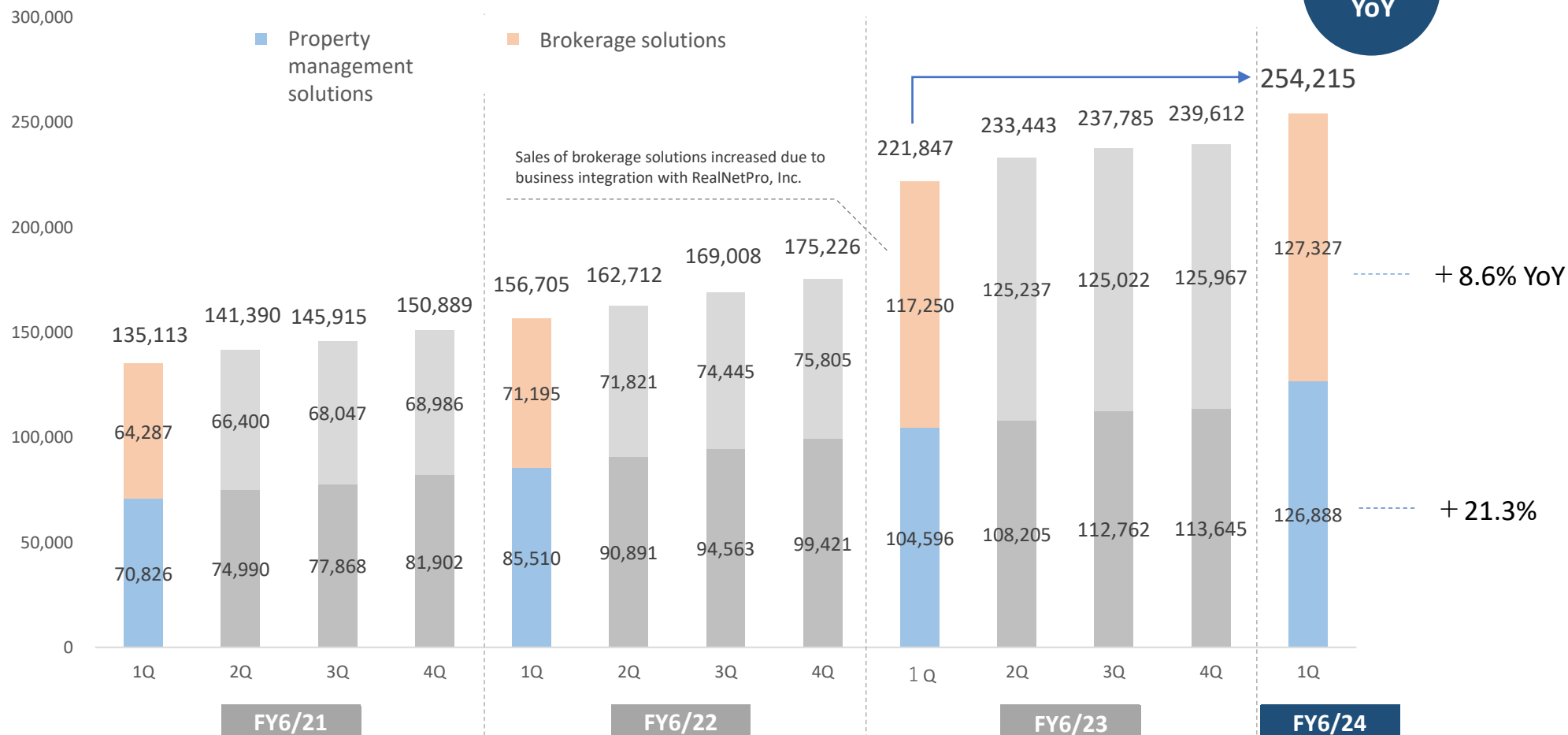


Growth of Monthly Recurring Revenue

Both Brokerage Solutions and Property Management Solutions increased in YoY. Property Management Solutions: +21.3% YoY, partly due to price revisions in response to higher cloud costs.

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

(Thousands of yen)



Cancelation Rate

1 Q results : **0.4%**

(Average results of the previous period : 0.6%)

Maintain low cancelation rates with the assistance of local support system advisors and call center customer success.

Support for customers keeps the cancelation rate low

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

IT System adviser

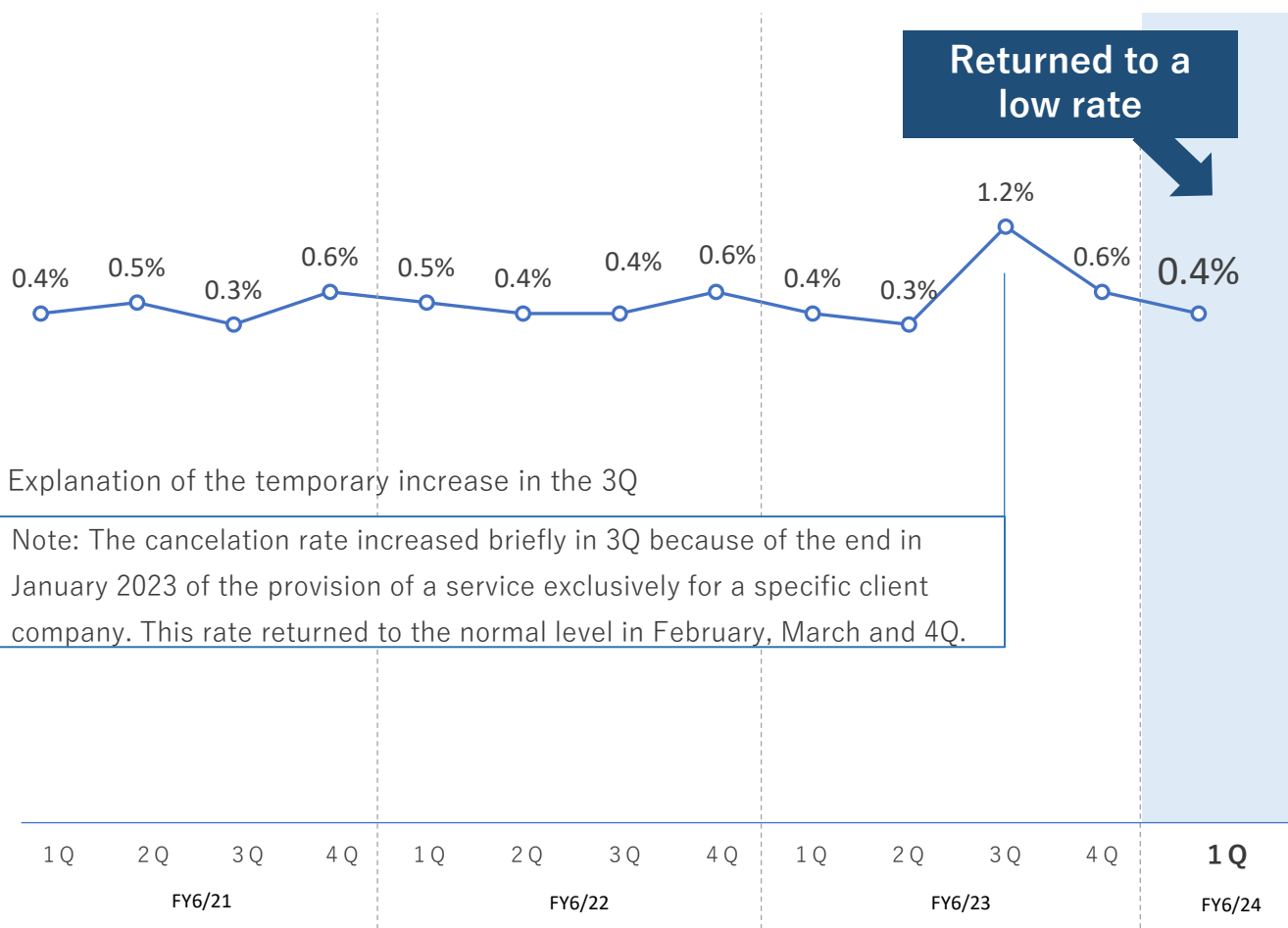


Call center



Cancelation Rate (Average monthly cancellations)

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



Explanation of the temporary increase in the 3Q

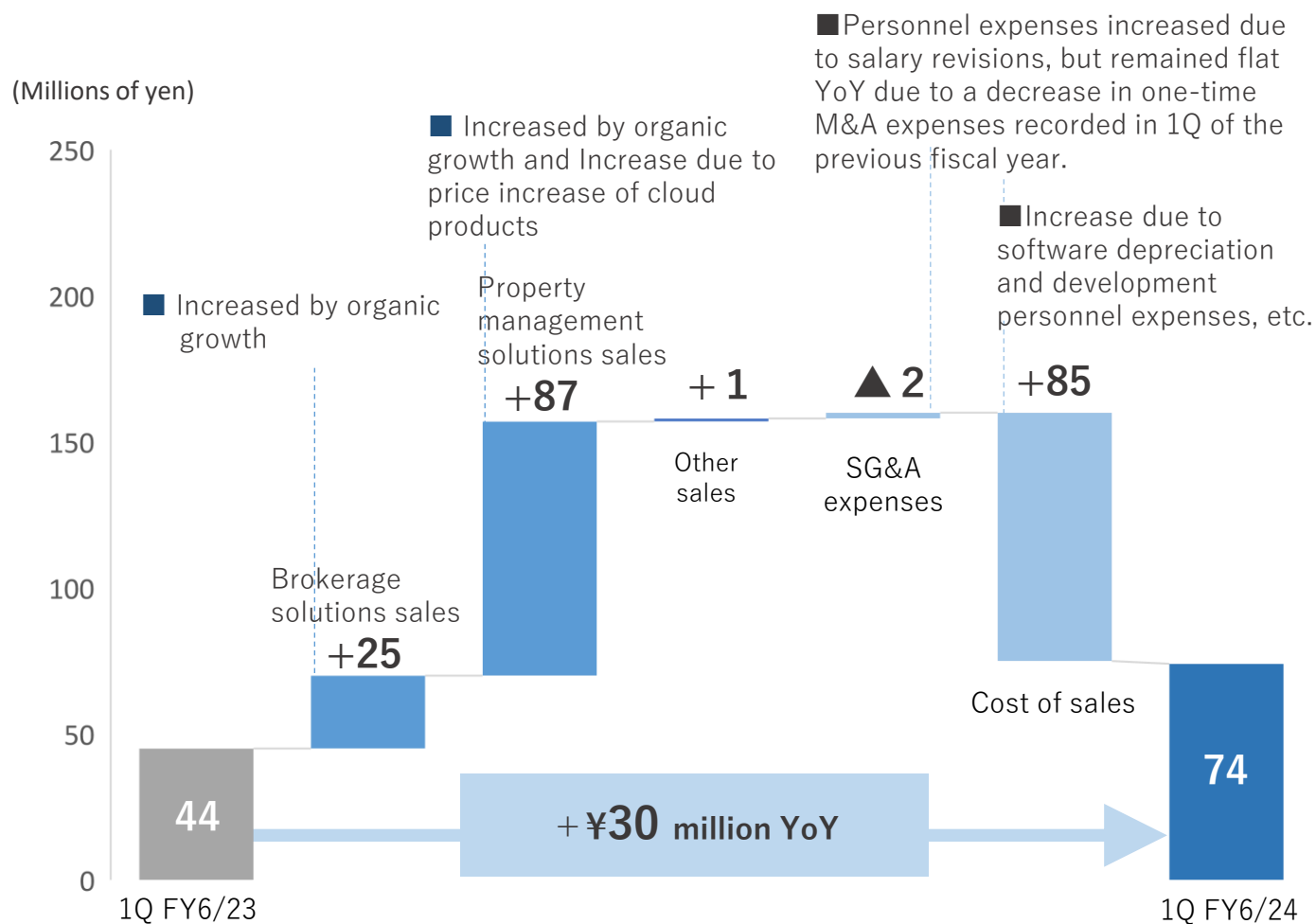
Note: The cancelation rate increased briefly in 3Q because of the end in January 2023 of the provision of a service exclusively for a specific client company. This rate returned to the normal level in February, March and 4Q.

Components of Change in Operating Profit

Operating profit ¥74 million
YoY +66.0 %

Increase in profit due to sales increase and completion of investment phase, and return to high profit margins in the future.

■ Components of Change in Operating Profit (YoY)

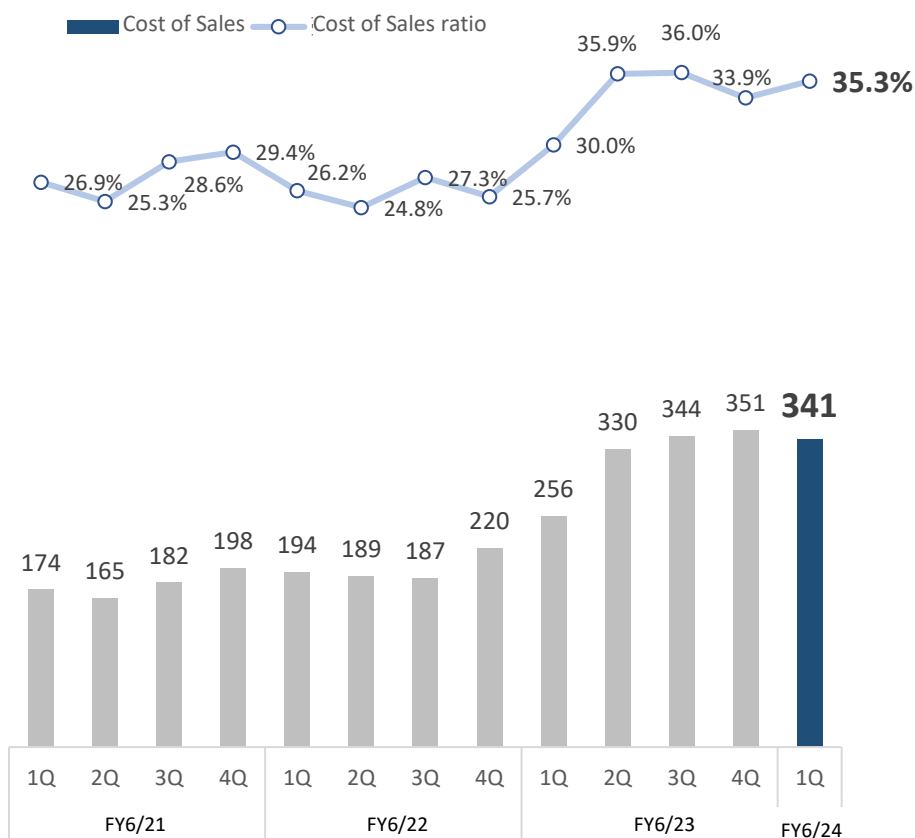


Changes in SG&A Expenses/Cost of Sales

Cost of Sales

Cost ratio rose in QoQ due to the impact of sales, but the cost amount itself decreased. Assumption is that costs will remain flat going forward. Assume lower cost of sales ratio due to sales increase.

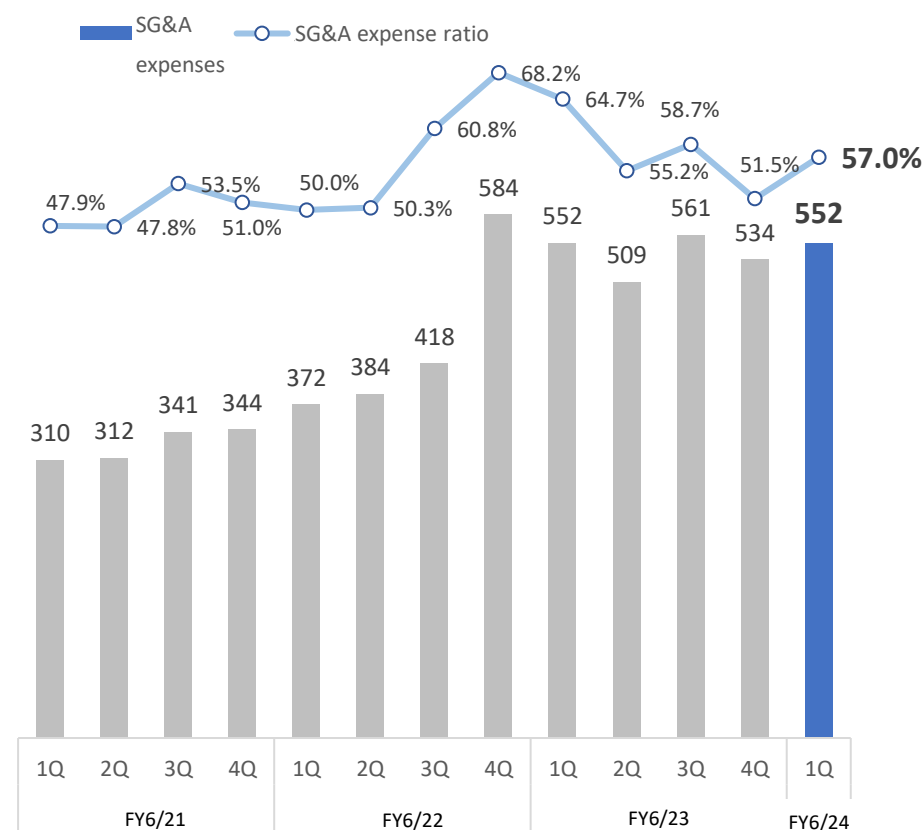
(Millions of yen)



SG&A Expenses

Expense is expected to increase in QoQ due to salary revision accompanying higher prices and inflation, but is expected to remain flat going forward. SG&A ratio is expected to decrease due to sales increase.

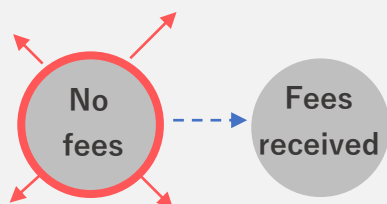
(Millions of yen)



Free service use Customer Transition (Customer Base)

27.8% progress against annual plan

Steady growth in customer base for free services, the cornerstone of the freemium strategy※

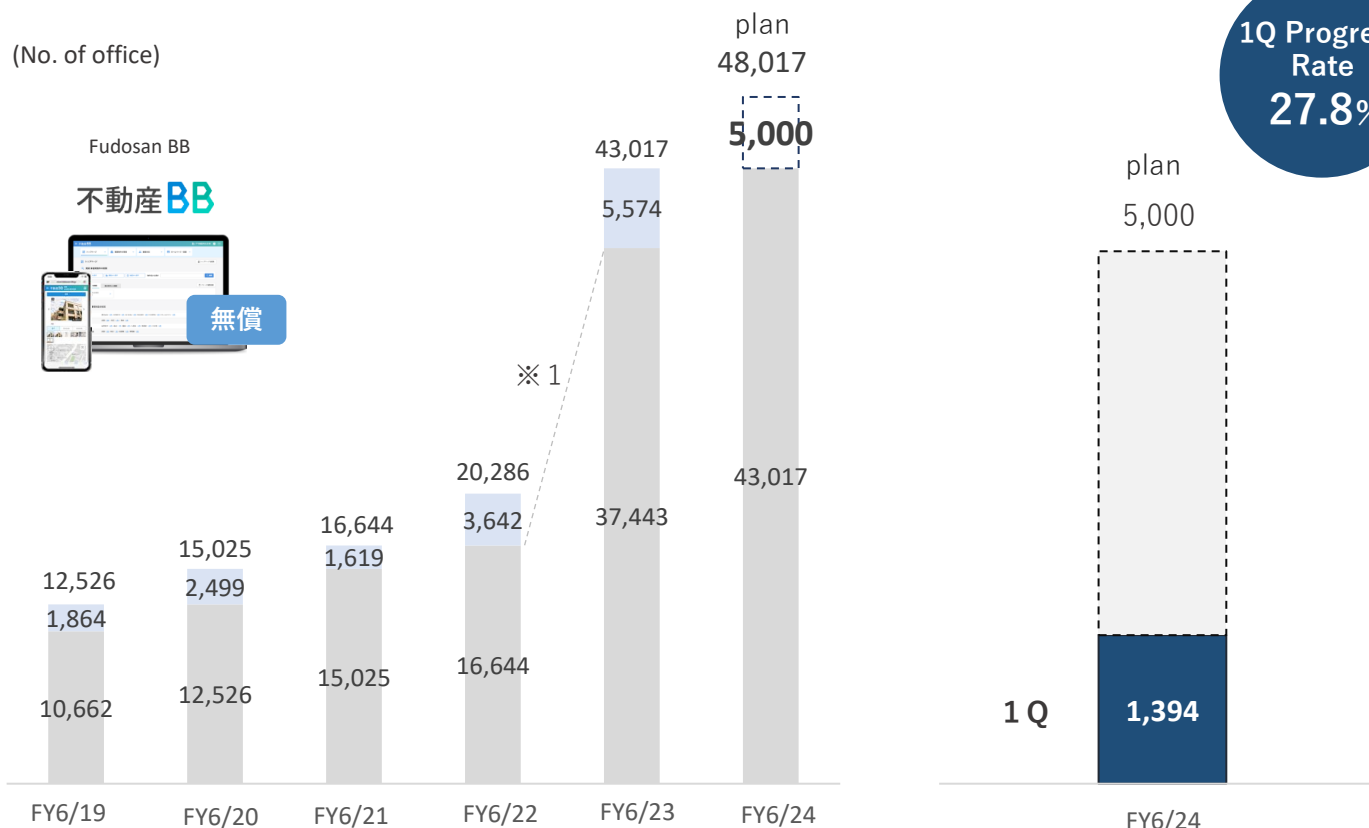


※The freemium strategy is a business model in which basic services and products are provided free of charge, and more advanced functions and services are made available for a fee.

Number of clients of the B-to-B property listing service (No fees)

Historical Increase and Current Plan

Current year plan: +5,000 Increase the number of offices

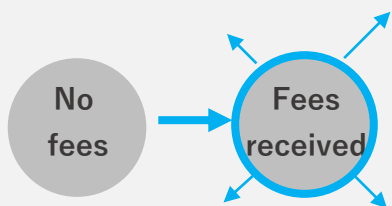


※ 1 : Increase in the number of existing establishments at the beginning of FY6/23 Add-on of 17,157 establishments (excluding overlap with Fudosan BB), which are existing clients of ReaPro Brokerage (free of charge), which was integrated into the management of 20,286 establishments at the end of FY6/22.

Increase of Customers for Services with Monthly Fees

Upselling and cross-selling of paid services

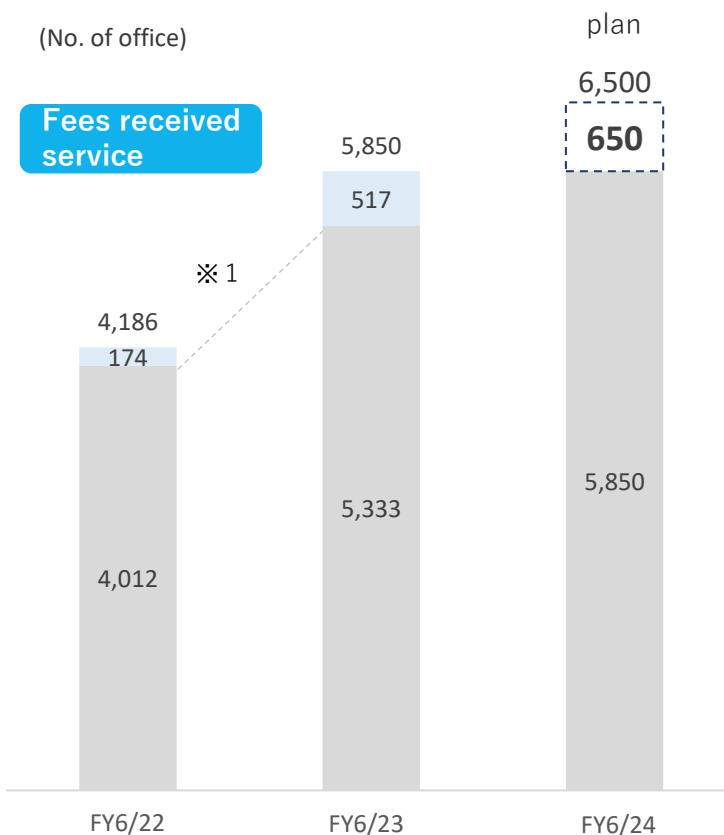
15.8% progress against plan; further increase in customer acquisition by strengthening marketing initiatives.



Number of customers using monthly fee-based services

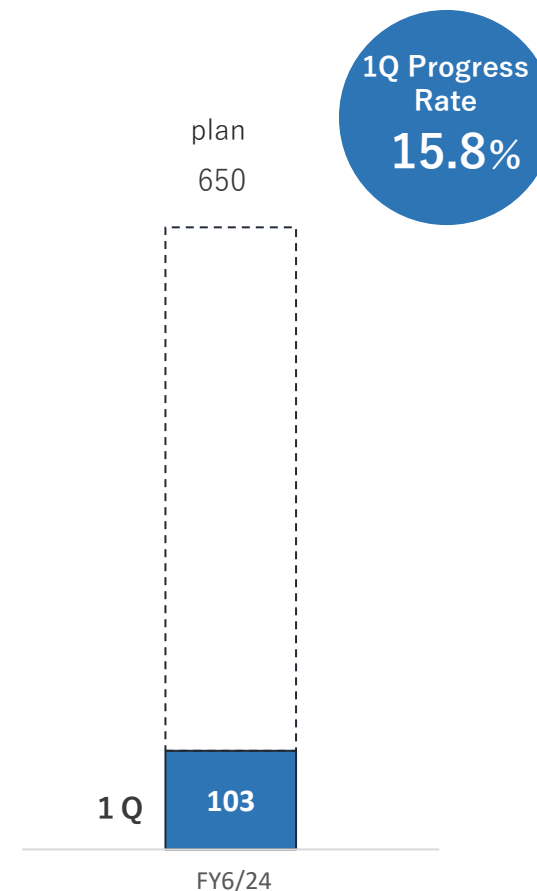
Historical Increase and Current Plan

Current year plan: +650 Increase the number of offices



※ 1 : Increase in the number of existing establishments at the beginning of FY6/23 Add-on of 1,147 business offices (excluding overlap with our paid customers), which are existing customers of ReaPro Management (paid), integrated into the 4,186 business offices at the end of FY6/22.


1 Q results



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

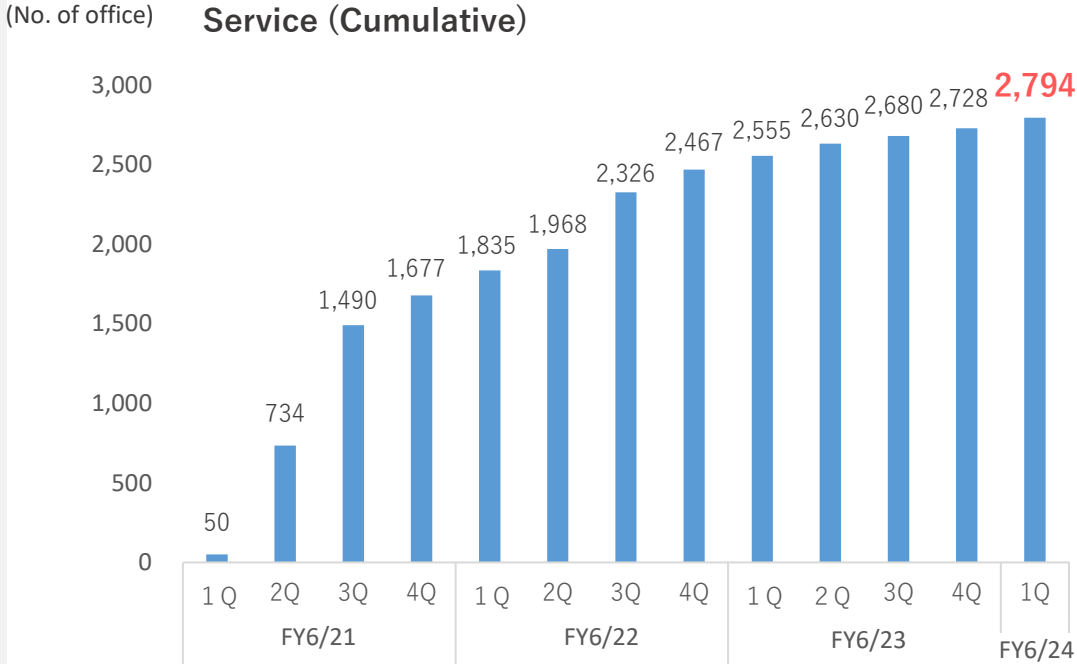


Fees received

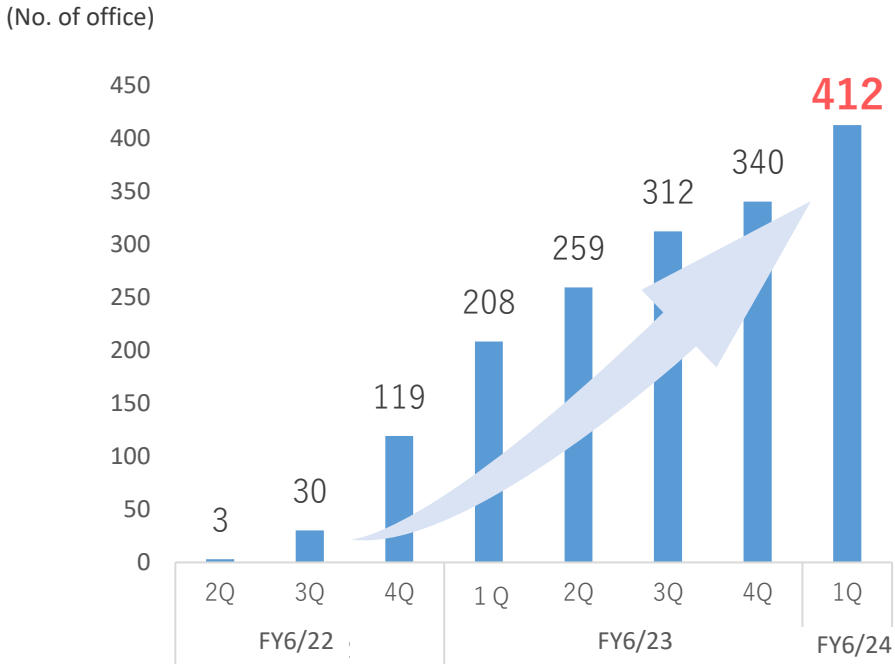
Amended Law Enacted May 2022

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.

Businesses Using the e-Apartment Application Service (Cumulative)



Businesses Using the Contract Service (Cumulative)



Release record of AI and Big Data utilization services

- No No vacancy strategy reporting Service for Owners "**Vacancy Countermeasure Robot**" goes on sale.

Vacancy Countermeasure robot



"Vacancy Countermeasure Robo" is a sales support DX service for rental management companies that can create sophisticated "No vacancy strategy reports" for each rental unit on the web by making full use of real estate big data and AI. By making proposals to owners troubled by vacancies and gaining their trust, rental management companies can increase the number of units under management.

data aggregation

Existing Cloud Services Group

Rental-related data



- 「CRIX」 Became the second Japanese operator to begin offering paid content through AWS Data Exchange.



CRIX is an index of rents and vacancy rates for rental housing based on big data collected through our cloud service.



- Plans to enhance services using **ChatGPT** and update **automatic generation of property PR text**

Chintai Kakumei 10 Business Analysis Option



Normally, the person in charge of creating PR text needs to understand the characteristics of the property and create several lines of text by himself/herself. By using Leasing Revolution's "Automatic Comment Insertion" service, which utilizes "ChatGPT," appropriate PR text can be generated in just a few seconds, leading to increased work efficiency for the staff member in charge.

Platform related Release achievements

Promote platform construction

■ Okinawa's largest real estate portal site "Goohome" and rental management system "Chintai Kakumei10" are now linked.



Property information registered in Chintai Kakumei 10 can be seamlessly posted to "Goohome," leading to improved operational efficiency and fewer input errors.

■ Started cooperation with **Rental Guarantee Support Co.**



Data linkage with our "Electronic Residence Application Service". Reduce the time and effort required to prepare guarantee application forms by hand. This also prevents omissions and ensures a smooth guarantee screening process.

■ Started cooperation with **Mitsui Sumitomo Insurance Co.**



Data linkage between our "Electronic Tenant Application Service" and "Net de Insurance@Rumu", a digital insurance application system for fire insurance for rental housing residents (hereinafter referred to as "fire insurance") provided by Mitsui Sumitomo Insurance. Realization of smooth insurance application.

Maximize synergies within the Group

■ Collaboration between Nippon Information Create and RealNetPro products Part 3_Start of web application linkage



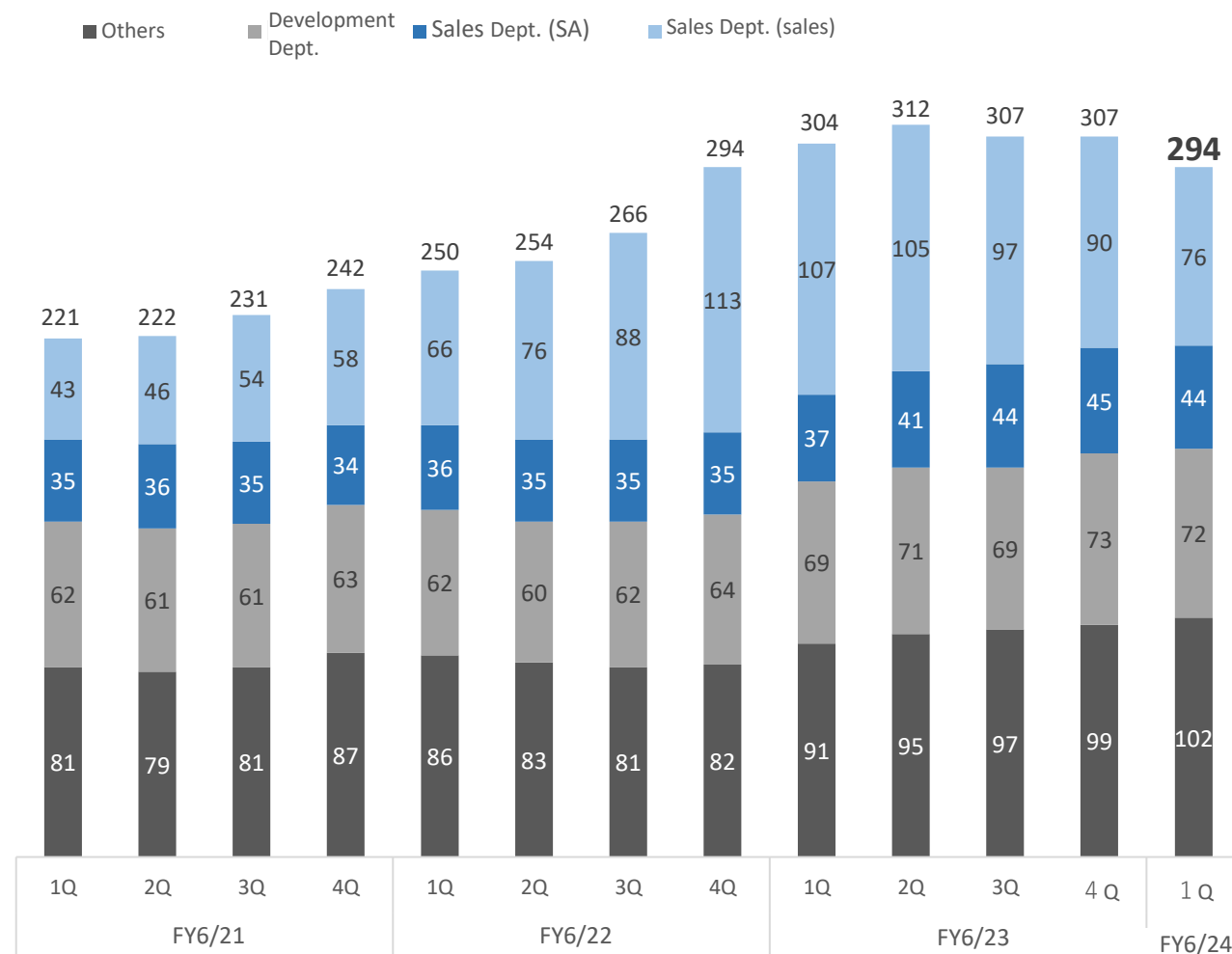
"Chintai Kakumei" is linked with "WEB Application Pro," a web-based tenant application system available free of charge to both rental management companies and brokerage firms on the real-time inter-agency distribution site "Rear-Pro". Tenant information converted to data through "Web Application Pro" can now be easily imported into "Chintai Kakumei".

Number of Employees

※Number of employees indicates the number of full-time employees

While continuing to hire personnel to meet the annual headcount plan, the Sales Department will work to increase the number of customers acquired per person by strengthening marketing strategies.

Number of Full-time Employees

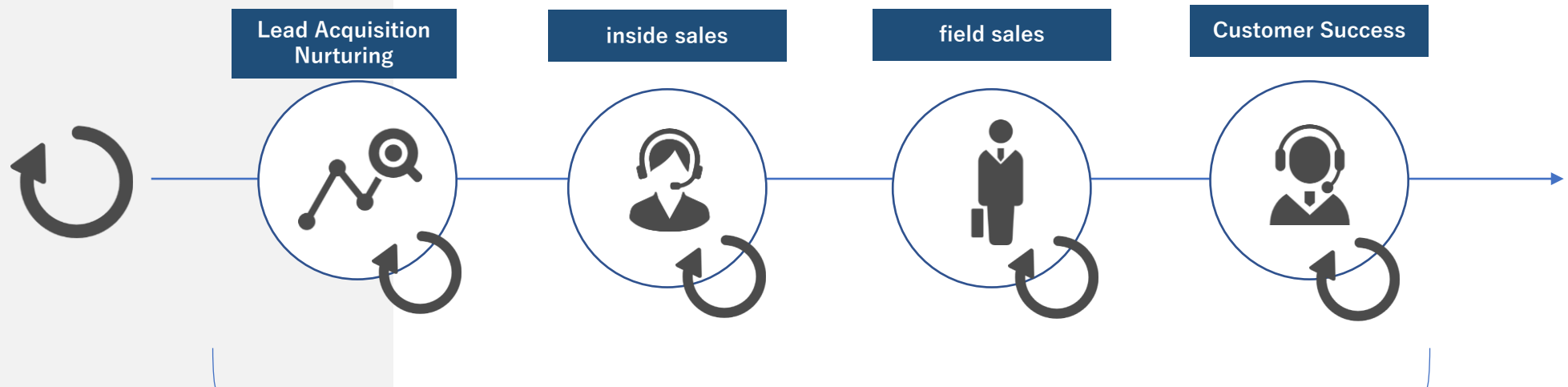




Sales Force Automation to Improve Sales Personnel Productivity Enhancement and Fast PDCA

- Market visualization and skeletonization
- PDCA of marketing measures
- Productivity improvement in each process
- Expand product sales in the intermediary area and build a customer base

Fast PDCA cycle by quantifying all information and identifying bottlenecks.



Improved productivity and closing rate of the sales system



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

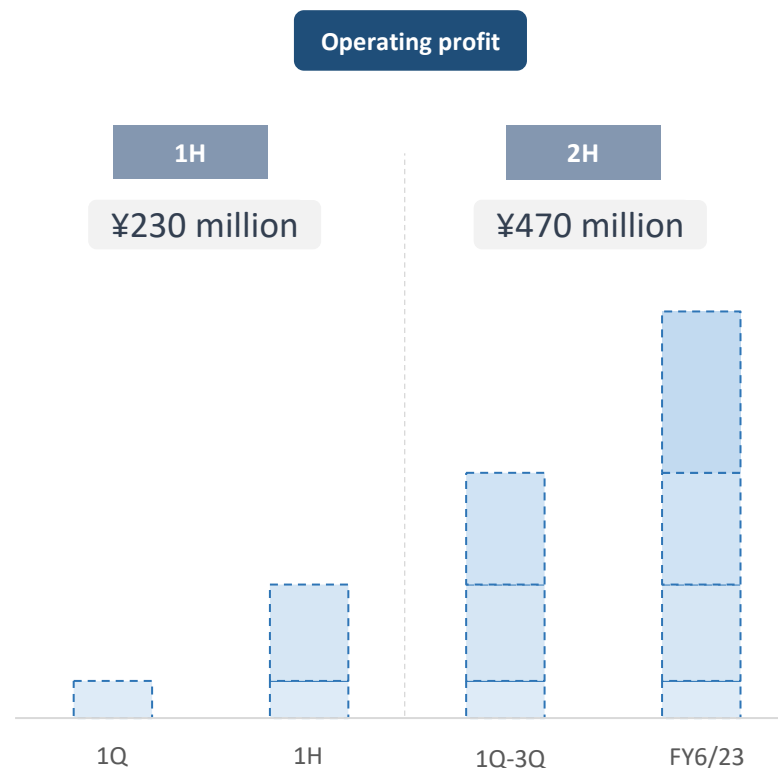
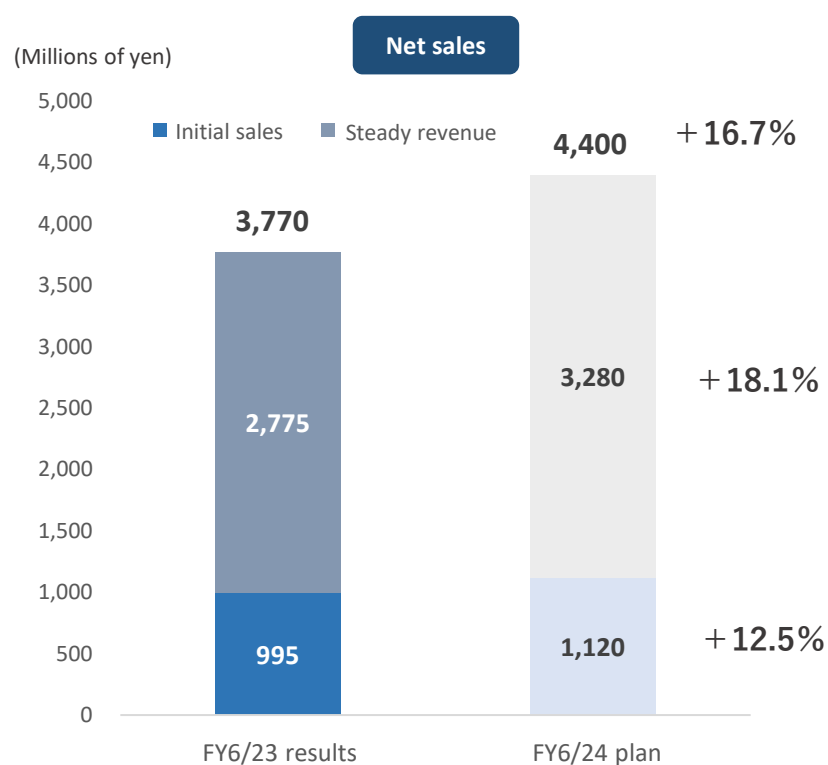
12.5% increase in initial sales、 Anticipate growth of operating profit in the second half.

■ 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

major investments end in FY6/23 , The plan has a big operating profit increase in the second half because of the expected growth of steady revenue.



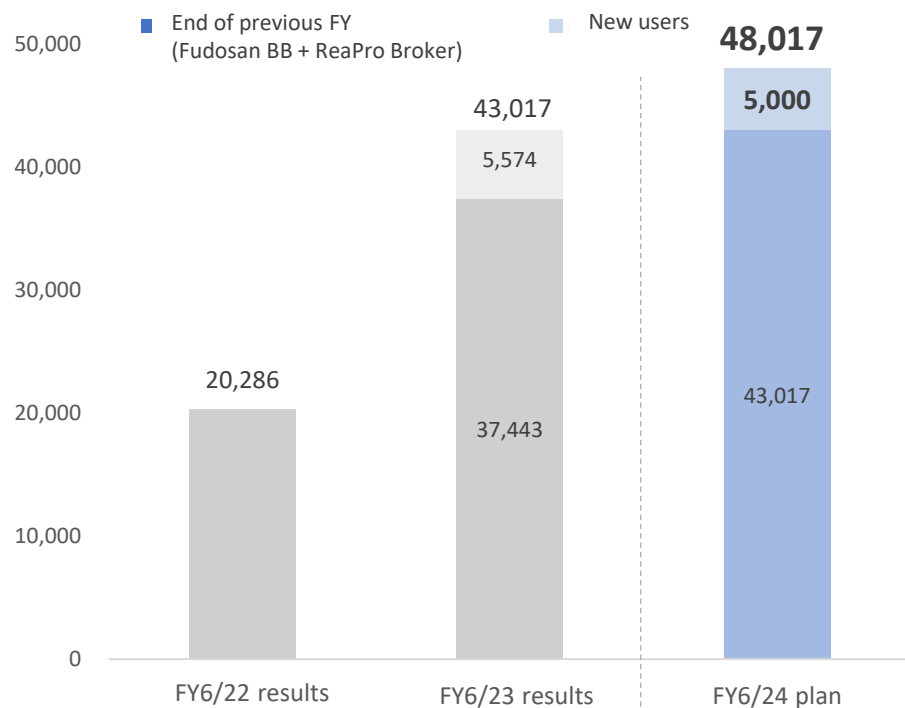
Final Year of Three-year Plan Key Performance Indicators (FY6/22 to FY6/24)

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

FY6/23 : More free service users because of more customer contact resulting from a larger salesforce

FY6/24 : Continue increasing free service users while focusing on conversions to services with fees

(No. of companies)



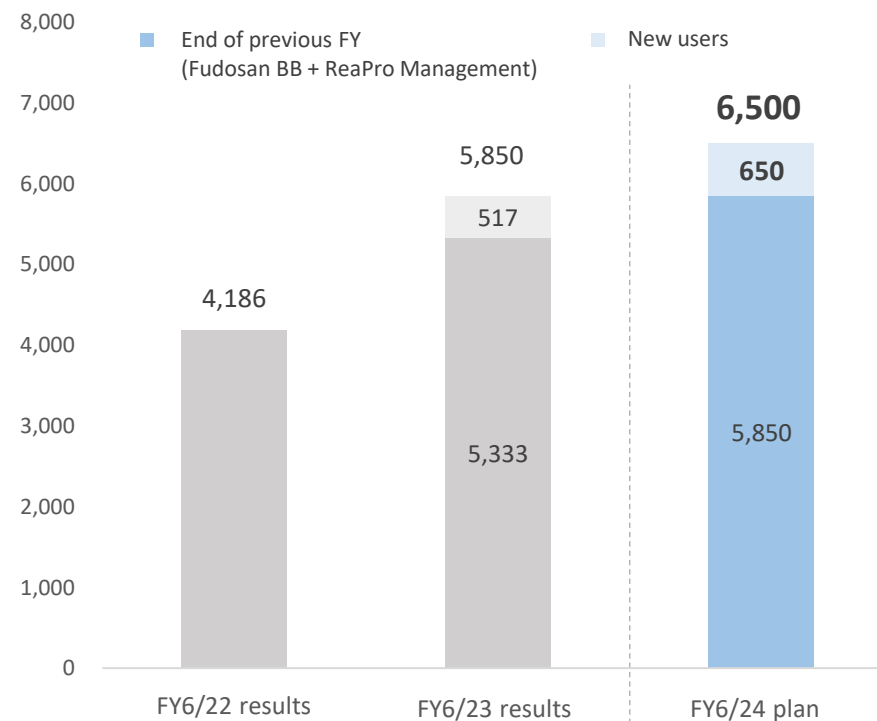
*The 17,157 companies (excluding ones that also use Fudosan BB) of ReaPro Broker (free), which was acquired by JPT, were added to the number of free service users at the beginning of FY6/23.

■ Users of services provided for a fee

FY6/23 : Many fee-service cross-selling activities targeting the growing number of free service users

FY6/24 : Steady growth while raising productivity per employee

(No. of companies)



* The 1,147 companies (excluding ones that also use an JPT service) of ReaPro Management (with a fee), which was acquired by JPT, 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)

FY6/23 : Landed above the revised plan.
 FY6/24 : Expect an increase in Steady revenue against the previous plan due to a partial increase in monthly fees for Property management solutions.

■ Monthly recurring revenue plan

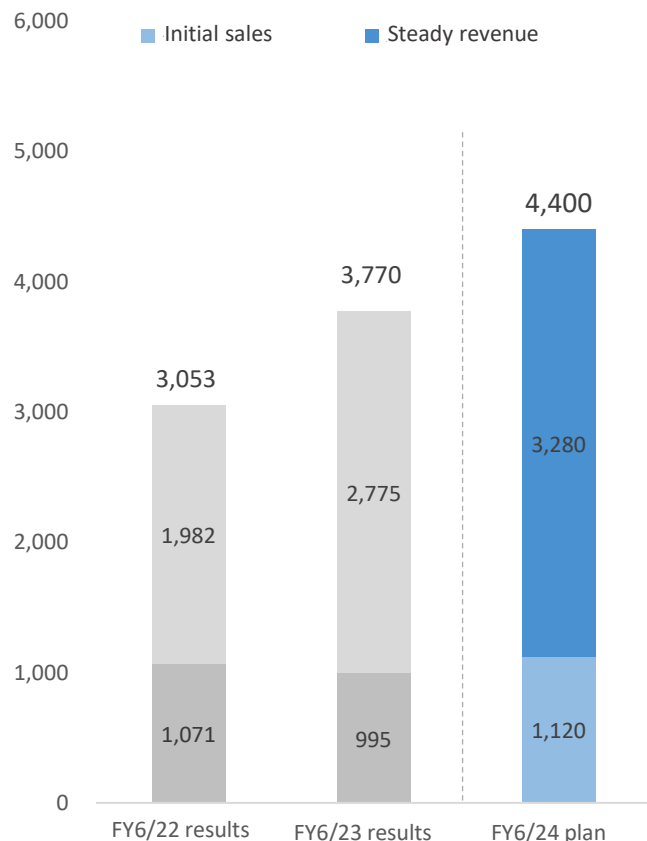
FY6/23 : Not in line with the revised plan; +36.7% YoY.
 FY6/24 : Property management solutions against the previous plan Expect increase in MRR due to partial increase in monthly fees.

■ Employees (plan for salespeople)

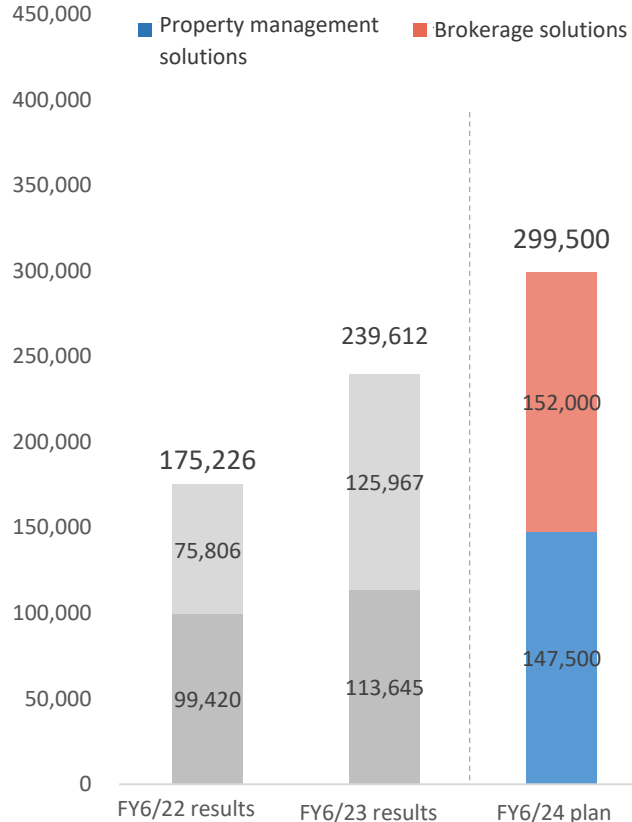
*Number of full-time employees

FY6/23 : Operating headcount landed below plan.
 FY6/24 : Against the previous plan, the highest priority is to reduce hiring and improve productivity per worker in the future.

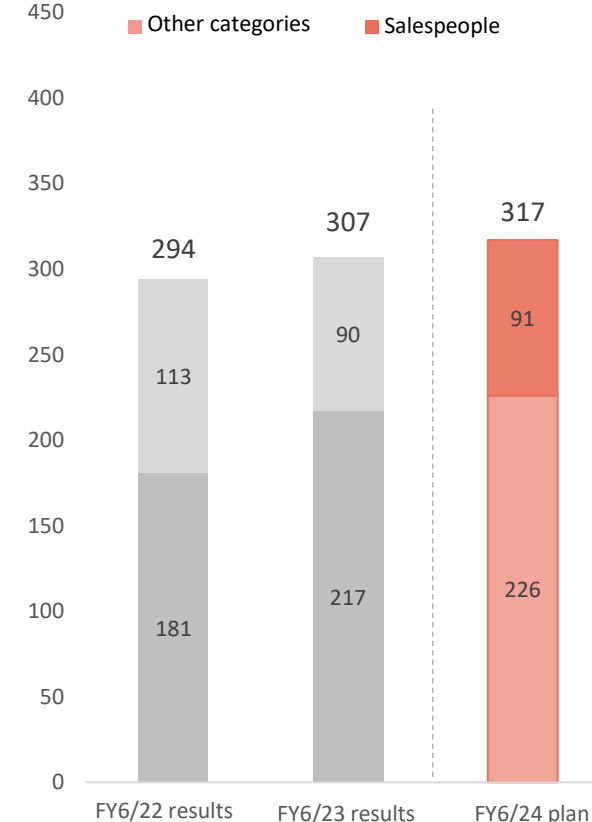
(Millions of yen)



(Thousands of yen)



(Person)



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

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Vision for the JPT Group's Growth



Vision of the JPT 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






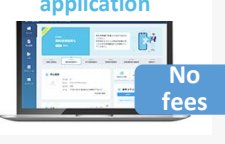








For real estate brokerage companies

For property management

Brokerage solutions

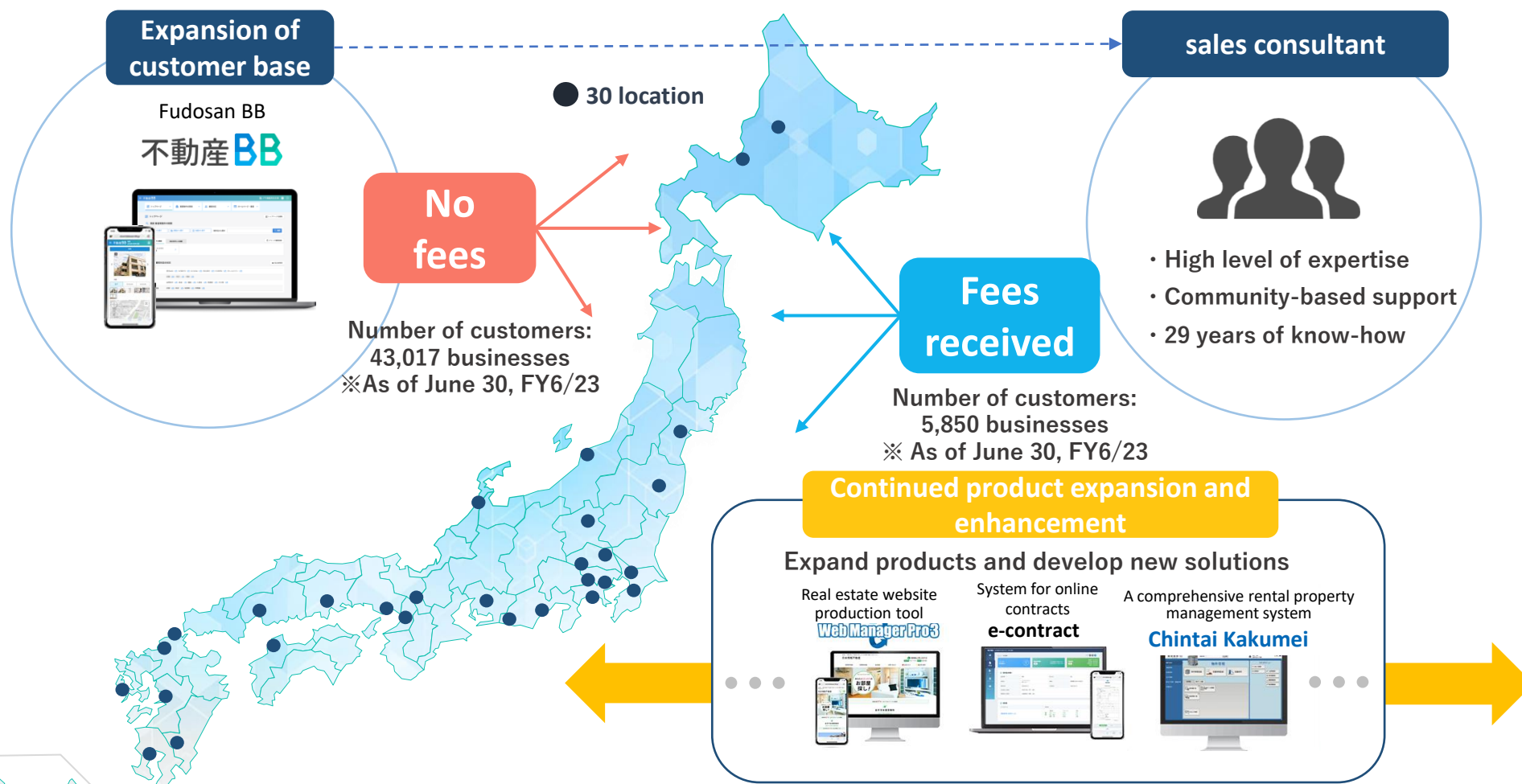
Property management solutions

All-inclusive workflow solutions for the real estate industry

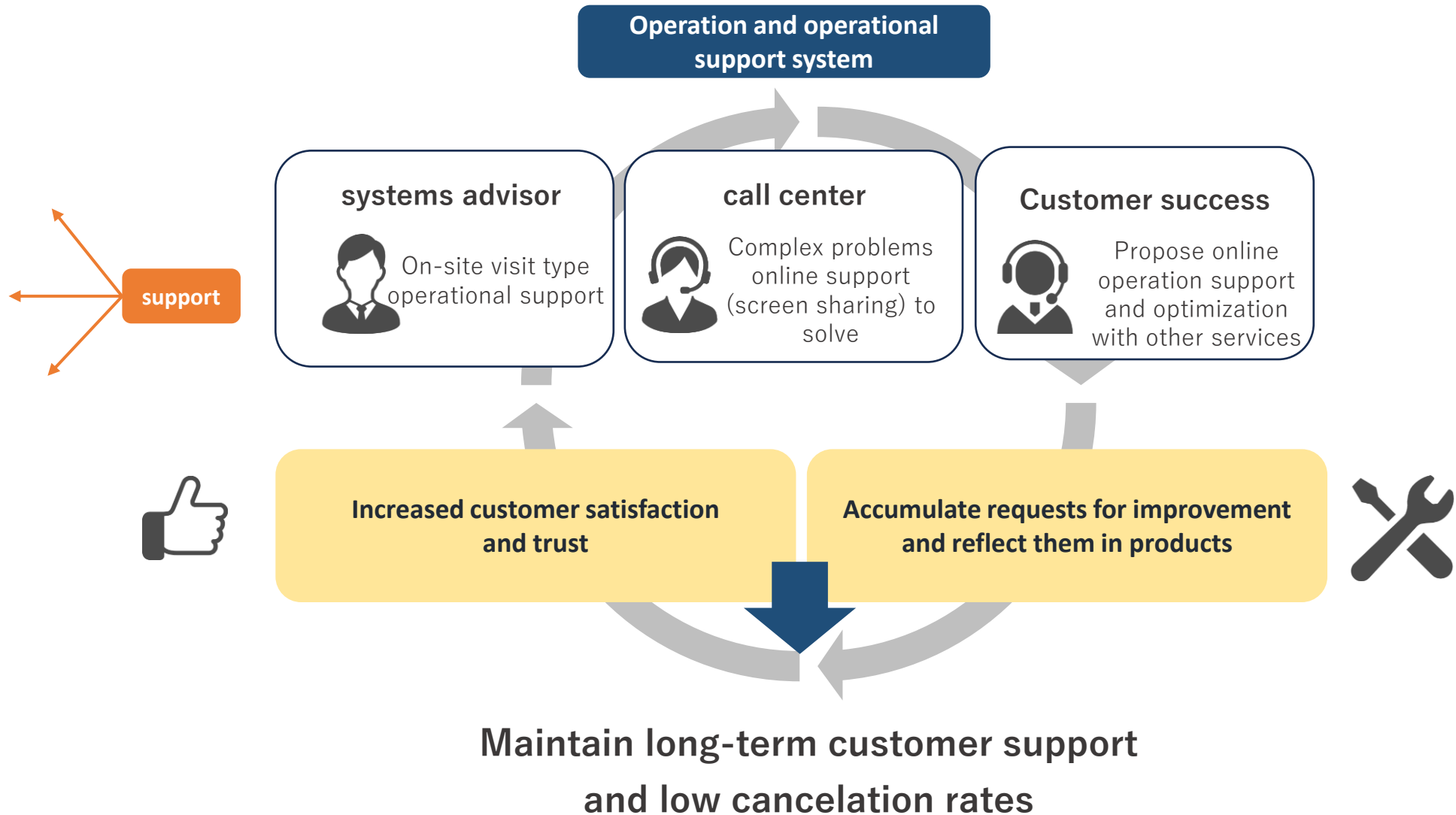
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Expanding customer base through free services and promoting DX in the real estate industry from 30 domestic locations.

Strengthening products and developing new solutions through in-house development.



Long-term customer support through operational assistance support and product improvements to maintain low cancelation rates

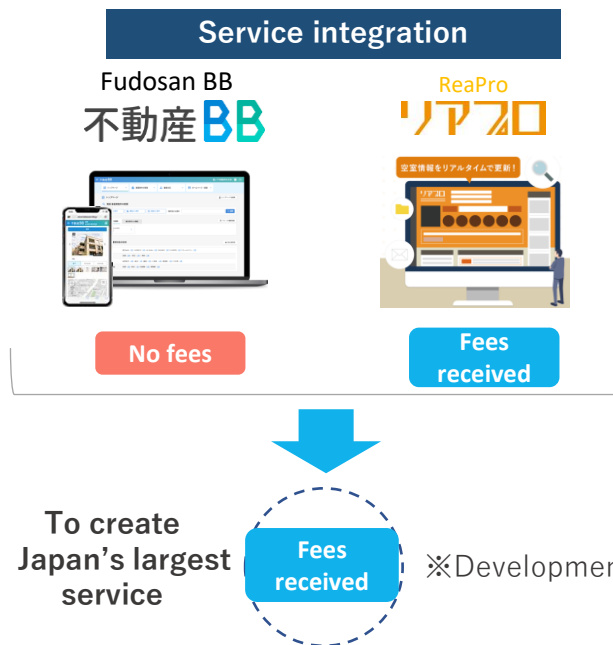


B-to-B property listing service

Fudosan BB + ReaPro

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

Currently under development, the current Fudosan BB will be deployed as a paid service after the integration.



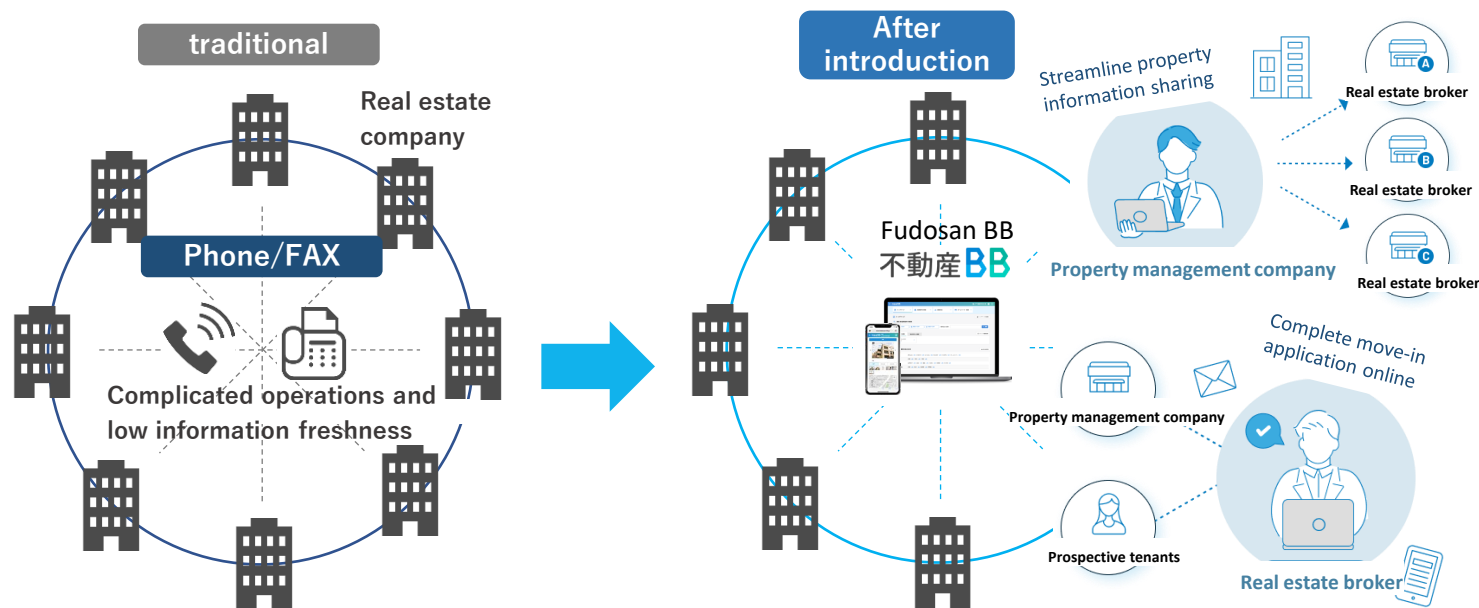
Integration Points

- Integration of member/property data to create Japan's largest service
- Also improves the efficiency of developing services within the JPT 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.

Service description

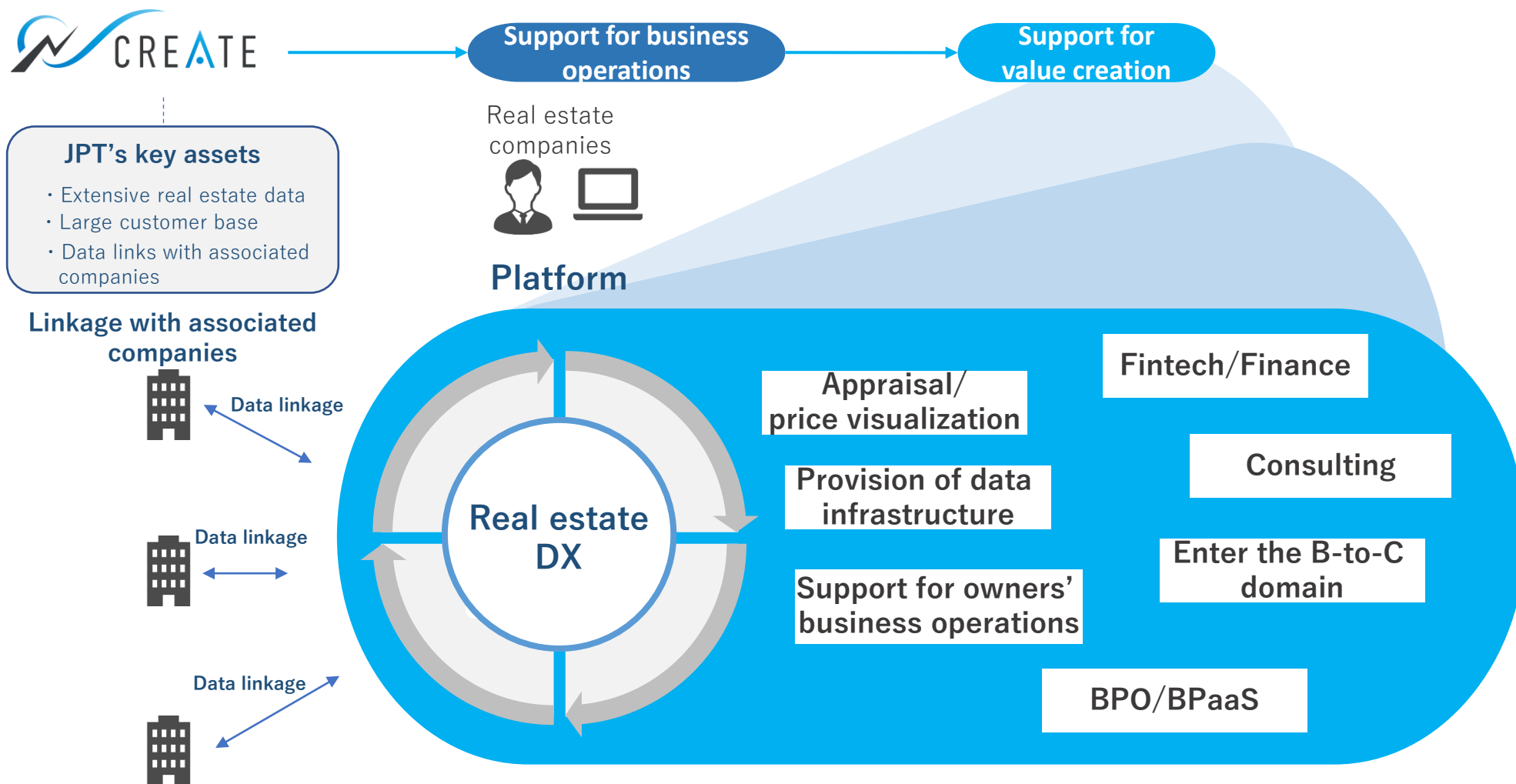
What is the B-to-B property listing service

Property information confirmation, which used to be done by phone or fax between real estate agents, can now be completed online. Data linkage enables online handling of tenant applications and room previews. Information sharing with management companies and brokerage firms can be streamlined.



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



Division of labor for strategy and execution to promote growth

Management Philosophy

Management Policy

medium- to long-term
vision

Capital Management &
M&A

management strategy

Execution Strategy

Execution Action

Two Representative Directors effective September 26, 2023

The purpose of the change (increase in the number of representative directors) is to more strongly promote the Company's sustainable growth and further enhancement of corporate value. Cooperation, sharing, and checks and balances in management to respond quickly to changes in business conditions and the business environment.

Representative Director Chairman CEO (Former: Representative Director, President)

Yonetsu Kenichi



brief personal record

Apr 1981 Joined Toyota Industries Corporation
Jan 1983 Joined Holp Co.
Jan 1985 Joined PM (sole proprietorship)
(now Produce Media Co., Ltd.)
Aug 1994 Established our firm and became President and
Representative Director
Jun 2022 Director of RealNetPro Co. (to present)
Sep 2023 Chairman and Representative Director of the Company (to present)

Representative Director, President COO (Former: Sales Headquarters General Manager)

Tsujimura Kunio



brief personal record

Apr 1991 Joined Recruit Co.
Apr 2008 Sales Executive Officer, Sales Management Department, Marriage
Information Magazine Zexy Business Division
Apr 2015 Marriage & Family Business Executive Officer, General Manager
of Business Division
Oct 2018 President and Representative Director of B.MARKETING Co.
(currently Basketball Corporation K.K.)
Apr 2022 President and Representative Director of Meitec Fielders Inc.
July 2023 Joined our firm, General Manager of Sales Division
Oct 2024 President and Representative Director of our firm (current)

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, Chairman CEO

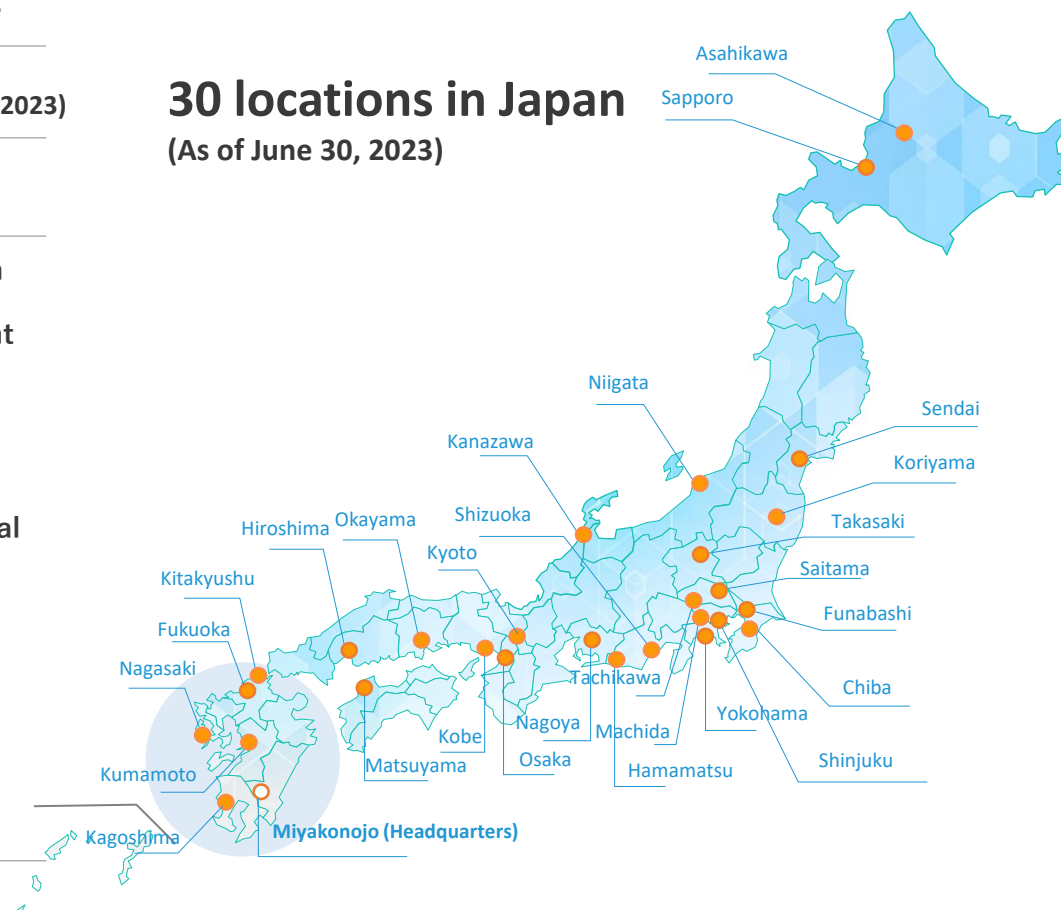


Company Profile

Company name	Japan PropTech 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
経営陣	<p>Yonetsu Kenichi, Representative Director Chairman CEO</p> <p>Tsujimura Kunio, Representative Director, President COO</p> <p>Maruta Hideaki, Director, Head of DX Promotion Dept</p> <p>Setouchi Naohiro, Director, Head of Administration Dept</p> <p>Watanabe Ryo, Director, Sales Headquarters General Manager</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)



Our Characteristics | SaaS company specializing in real estate, aiming to be a platformer

Sales Transition
**Sales increased
for 29
consecutive
terms**

Business Overview
**Promoting Real
Estate DX**
Aiming to be a platformer

Providing business solutions related to real estate leasing and sales through the use of technology

Rental Management
System Introduction Results

No.1 ※1

Number of offices (cumulative): 5,179
※As of June 30, 2023

Number of
domestic offices
30 locations

※ As of June 30, 2023

Low cancellation
rate
0.6%
Average monthly cancellation
rate

※Results of FY6/23

MRR
239 million
Approximately 73% of sales
are stock sales

※ As of June 30, 2023

※ 1 : 2020 National Rental Management Business Association Web Survey (January 17, 2020 - January 31, 2020 and February 14, 2020 - February 20, 2020)

Performance and cancellation rates

since the establishment
29th consecutive year of
achieved revenue growth

Established: August 1994

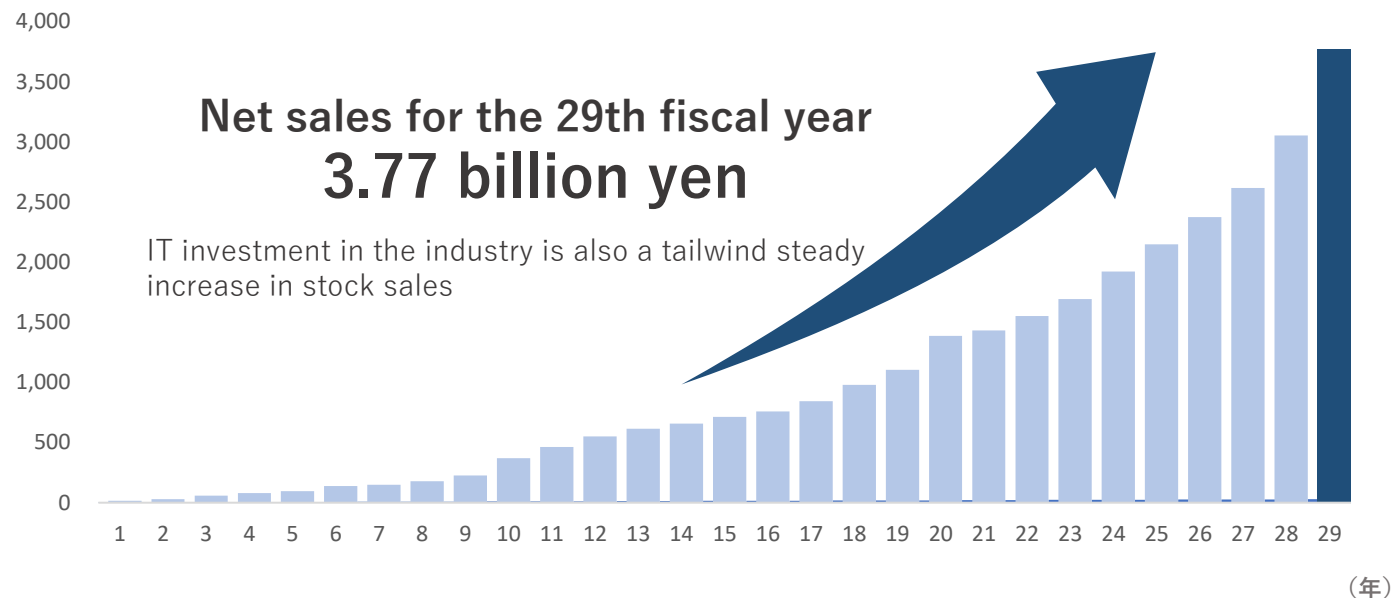
FY6/2023 results

cancellation rate 0.6%

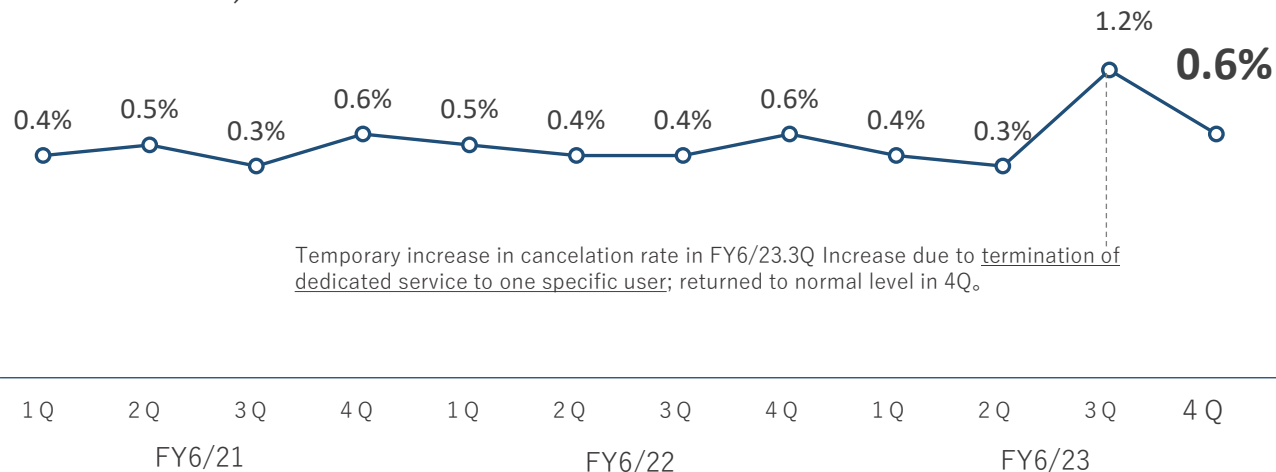
※cancellation rate is average monthly churn rate

Net Sales

(Millions of yen)



■ cancellation rate (average monthly cancellation rate)



Temporary increase in cancellation rate in FY6/23.3Q Increase due to termination of dedicated service to one specific user; returned to normal level in 4Q.

Monthly cancellation rate: Percentage of the monthly amount decreased due to cancellation in the monthly billings of existing contracts.

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

Before

Become more than a software company

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

FY6/22 – FY6/24

The platform building stage

Build a platform like no other by investing in three categories

Product strategies

Stronger products

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

People strategies

Stronger sales team

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

Customer strategies

Marketing and the sales network

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

FY6/25 -

The platformer stage

Innovation

Creation

Growth

Mission: Dedicated to the happiness of everyone we serve

Summary of the Three-year Plan

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

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

Passage of digital reform laws

Personal and corporate seals are no longer needed on real estate transaction contracts from May 18, 2022. Digitalization of contracts is expected to speed up the DX of all real estate transactions. JPT 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. JPT 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. JPT 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



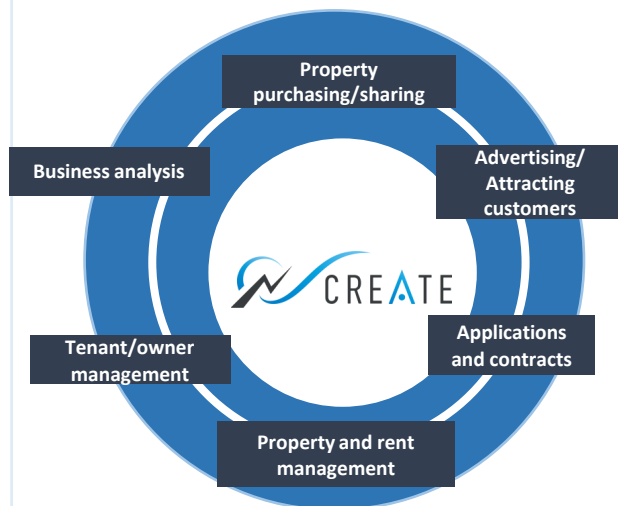
Source: Statistics for Homebuilders and Residential Land and Building Transaction Brokers, end of fiscal 2018, Real Estate Transaction Improvement Organization and Number of Residential Land and Building Transaction Companies, Ministry of Land, Infrastructure, Transport and Tourism

Summary of the Three-year Plan

Internal factors - JPT 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 JPT. The digitalization of Japan's real estate companies will require a nationwide network of physical offices and more sales consultants. JPT 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. JPT 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

Our feature and competitive environment

Competitive advantages and our uniqueness

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

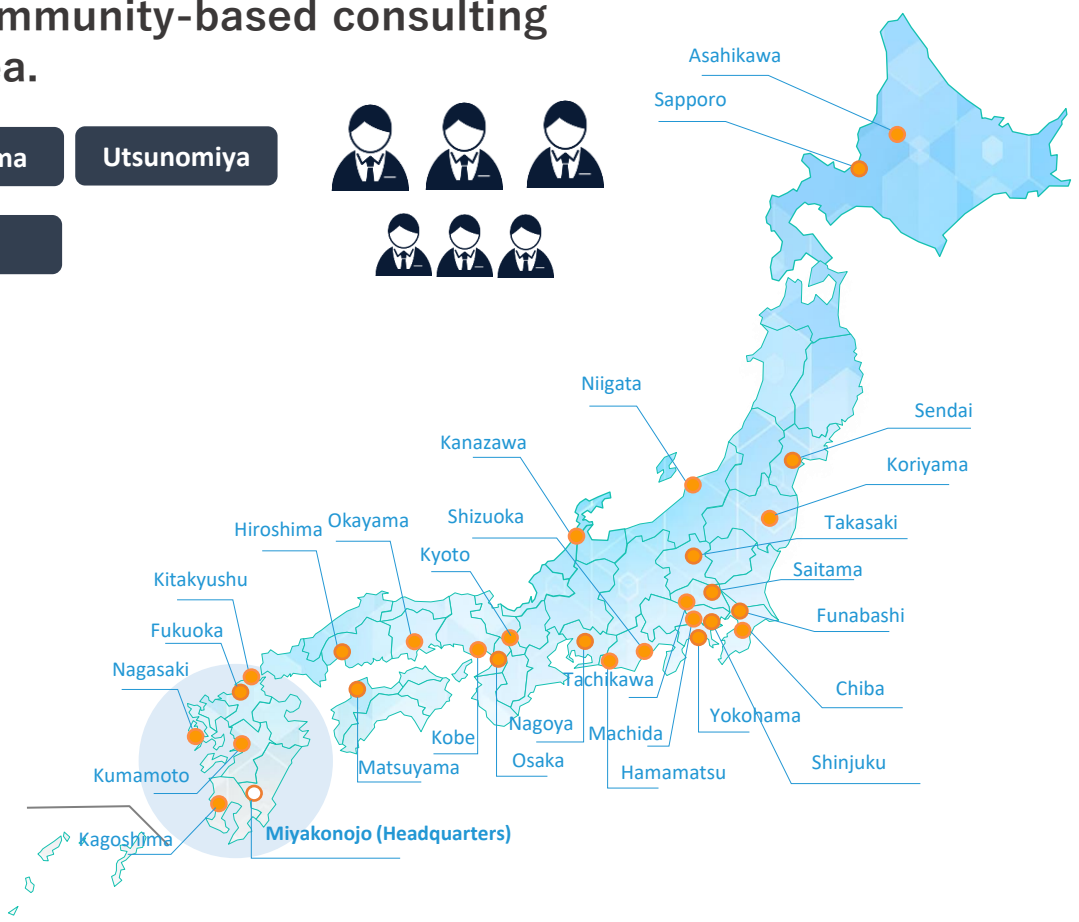
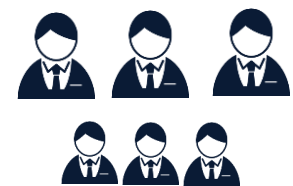
1	2	3	4	5
<p>Products encompass all steps</p>	<p>A large sales network</p>	<p>Support</p>	<p>Market share</p>	<p>Expertise acquired over 29 years</p>
<p>A broad lineup of products for solving many issues for customers, resulting in one-stop solutions extending from brokerage to property management tasks</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 Japan PropTech's service; support includes remote assistance by Japan PropTech'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. Japan PropTech 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, Japan PropTech has the knowledge needed to implement the DX in the best possible manner for the real estate industry.</p>

Our features | Community-based consultants and thorough customer support

Since its establishment, the company has gradually increased the number of its offices to **30 nationwide**. We will continue to solve the problems of individual companies through community-based consulting and promote DX in the real estate industry as a whole.

We will promote growth by developing our strengths in community-based consulting over a wide area.

Hokkaido	Sapporo	Asahikawa			
Tohoku	Sendai	Toyama			
Kanto	Shinjuku (Tolyo headquarters)	Tachikawa	Machida	Yokohama	Utsunomiya
	Saitama	Takasaki	Funabashi	Chiba	
Chubu	Kanazawa	Niigata			
	Nagoya	Shizuoka	Hamamatsu		
Kinki	Osaka	Kyoto	Kobe		
Chugoku	Hiroshima	Okayama			
Shikoku	Matsuyama				
Kyushu	Fukuoka	Kitakyushu	Nagasaki		
	Miyazaki (Headquarters)	Kumamoto	Kagoshima		



Growing market environment

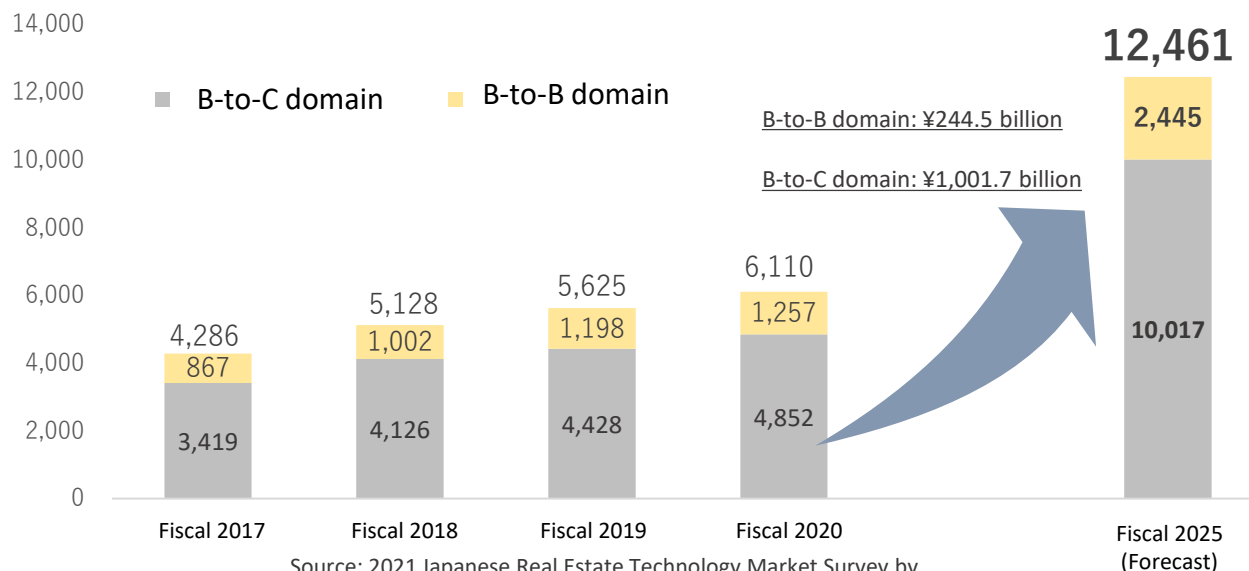
Japan's Growing Real Estate Technology Industry

Fiscal 2025 forecast

Market size: **¥1,246.1 billion**

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

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

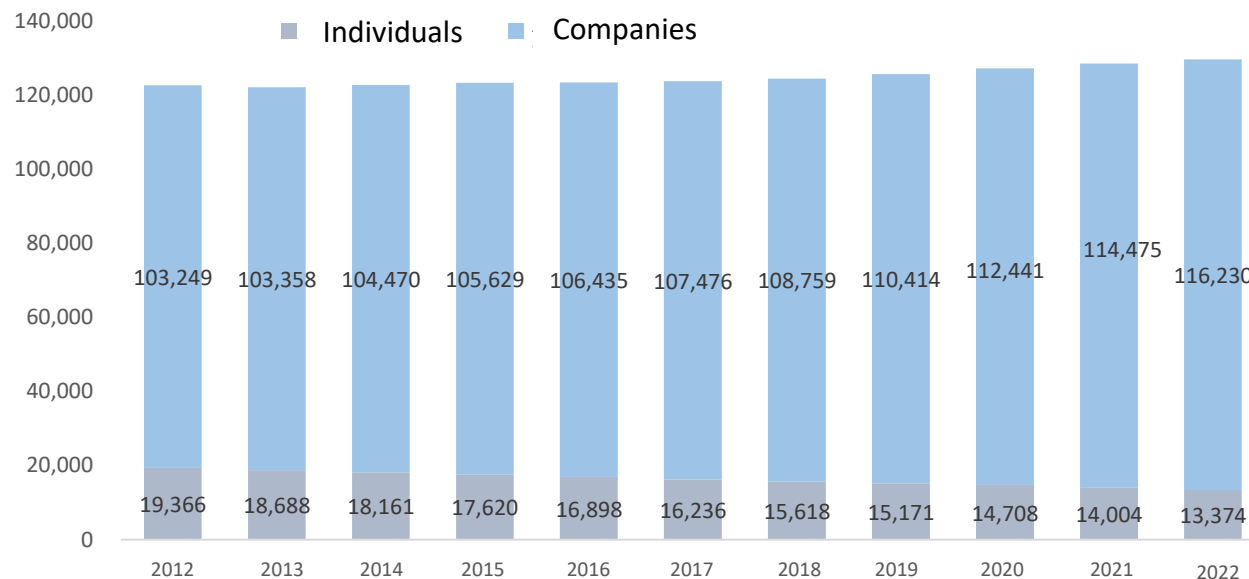


Homebuilders in Japan

The number of homebuilders has increased slightly, remaining generally **steady at about 120,000**

Corporate firms increased slightly, while individual firms decreased. Overall, the market environment remains stable, with turnover due to the opening and closing of real estate businesses, which has remained flat.

■ Homebuilders in Japan (End of fiscal 2022)



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

Growing market environment

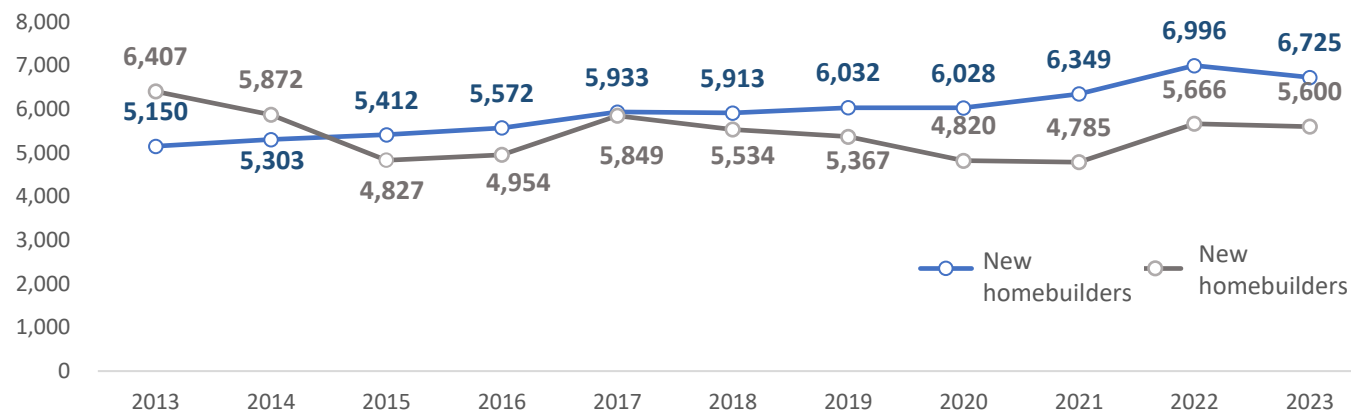
Due to new business openings IT capital investment demand

More than 6,000~7,000 businesses open every year, and the entry of the digital native generation is a tailwind for DX improvement.

Real estate DX for the industry improving labor productivity

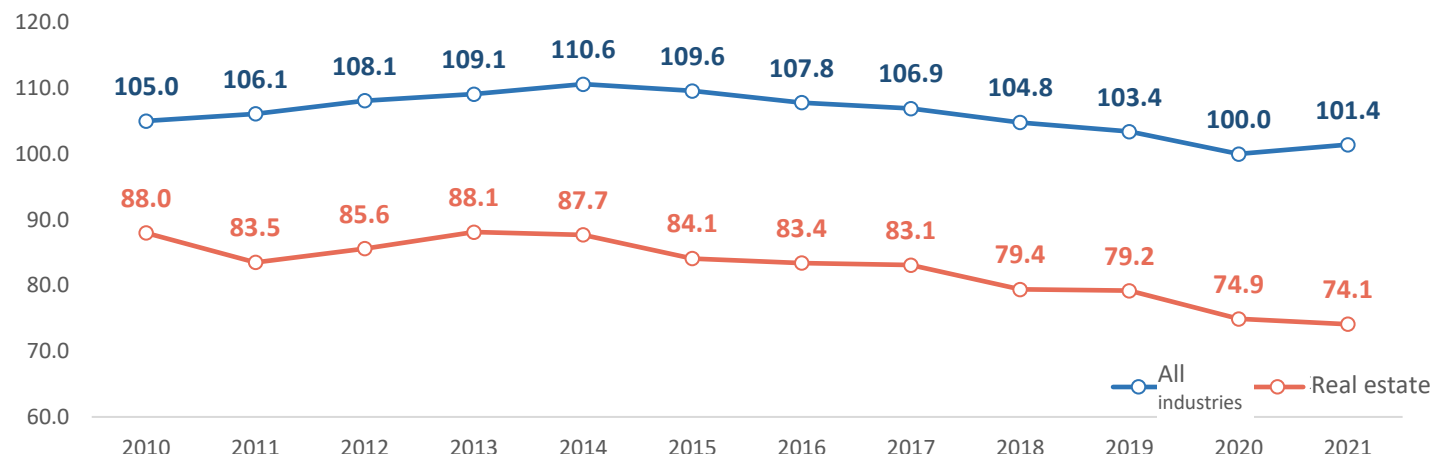
Labor productivity in the real estate industry is low and the demand for DX to improve it will continue to grow. We will support the improvement of labor productivity in the industry with our one-stop product lineup that covers a wide range of operations.

Change in number of homebuilders in Japan



Source: Statistics for Homebuilders and Residential Land and Building Transaction Brokers, end of fiscal 2022, Real Estate Transaction Improvement Organization and Number of Residential Land and Building Transaction Companies, Ministry of Land, Infrastructure, Transport and Tourism

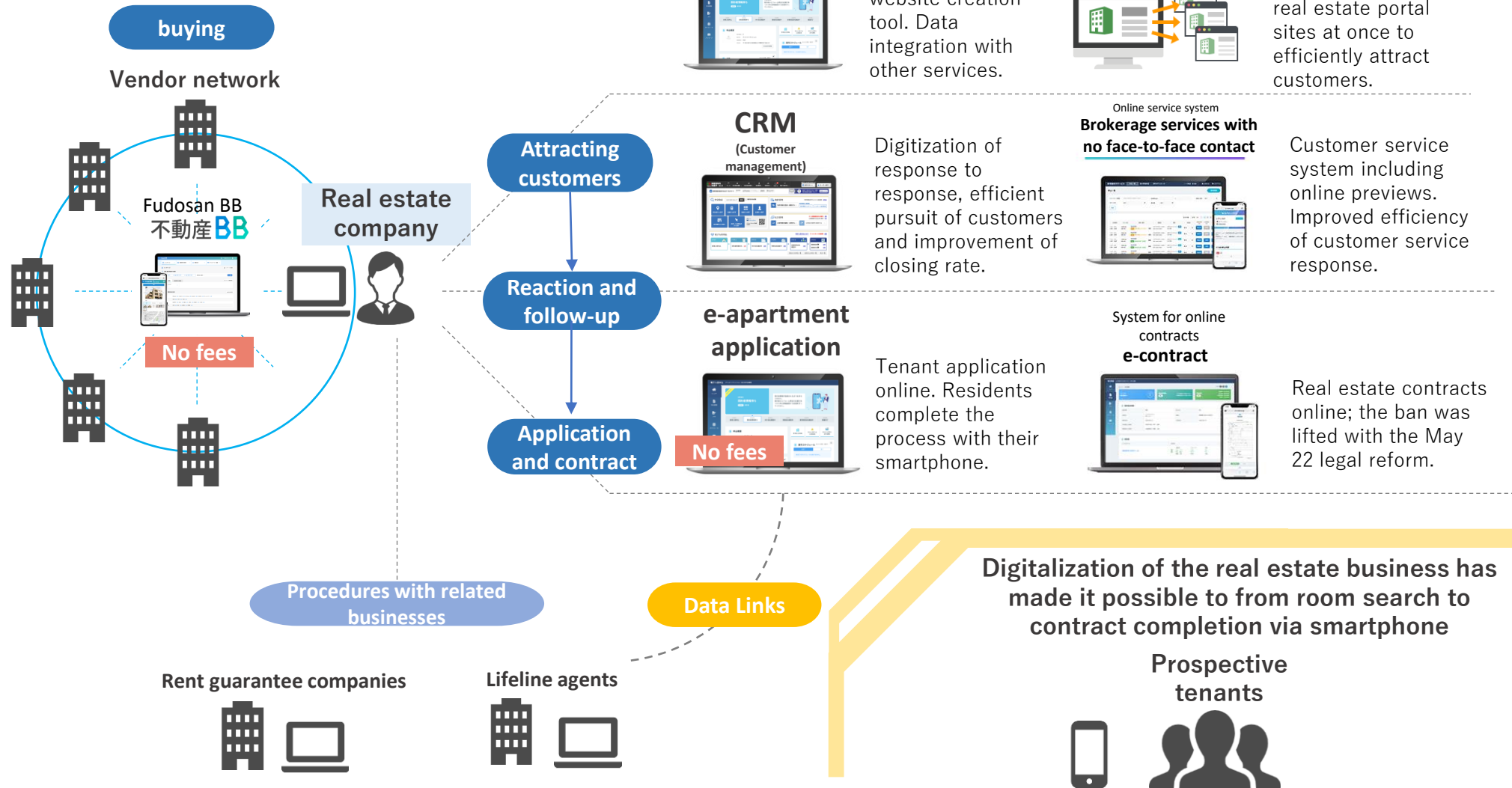
Labor productivity index



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

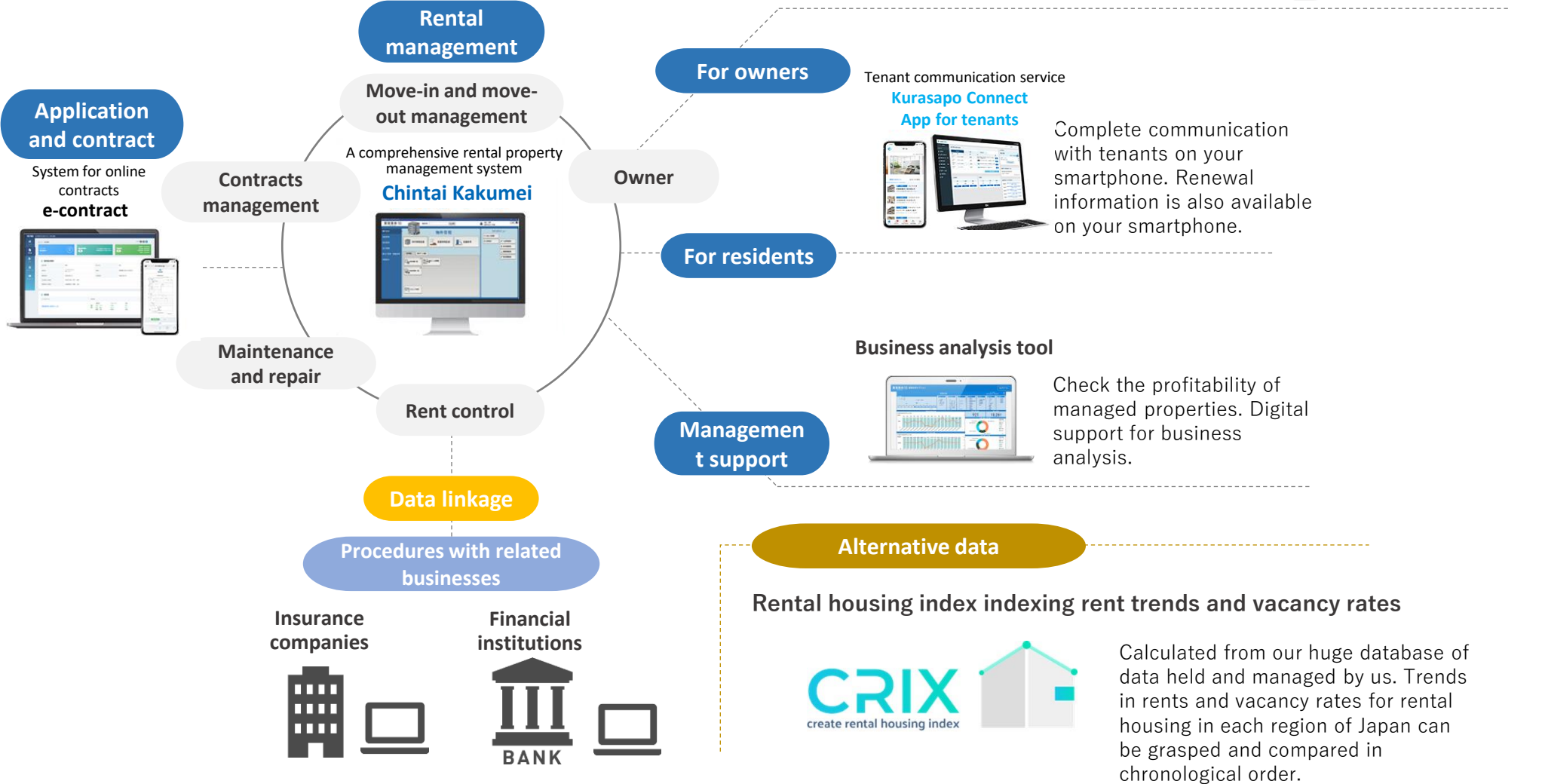
Our real estate DX support

Seamless data linkage for efficiency of all real estate business processes



Our real estate DX support

Seamless data linkage for efficiency of all real estate business processes



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. Japan PropTech Co., Ltd. (JPT) 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 JPT's business operations or other items.
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Dedicated to the happiness of
everyone we serve

