

Results of Operations for the First Quarter of the Fiscal Year Ending June 30, 2025



Japan PropTech Co.,Ltd

November 7, 2024

1Q FY6/25

Quarterly sales hit a record high, with profits more than quadrupling year-on-year, marking a strong start

1Q FY6/25 results

(※Include contributions from company mergers)

(Millions of yen)

Net sales

Record high for a quarter

1,410

YoY + 45.7%

Operating profit

About 4.3x YoY

319

YoY + 329.4%

Profit

About 4.1x YoY

173

YoY + 304.3%

Breakdown

1Q Organic Results

1,228

253

※Profit is not displayed as it is difficult to provide a breakdown due to accounting treatment

Include contributions from mergers

182

66

Steady growth in stock sales

Steady growth in stock sales through monthly charges, which account for a large proportion of sales. YoY + 45.6%.

1Q FY6/25
Stock sales

¥ 1,110 million

(1Q FY6/24 : ¥762 million)

Cancellation rate stable at low levels

Stable cancellation rates continue through customer support and customer success by utilizing 30 nationwide locations.

1Q FY6/25
Cancellation rate

0.6 %

(FY6/24 : 0.5 %)

Against Full-Year Performance Plan 1Q Progress Ratio

※Figures in () indicate the progress rate for organic results.

Net sales

28.2%

(24.5%)

Operating profit

31.9%

(25.3%)

Profit

27.7%

5,000

Steady progress in organic results as well.

(Millions of yen)

1,410

1,000

319

624

173

Results/Plan

Results/Plan

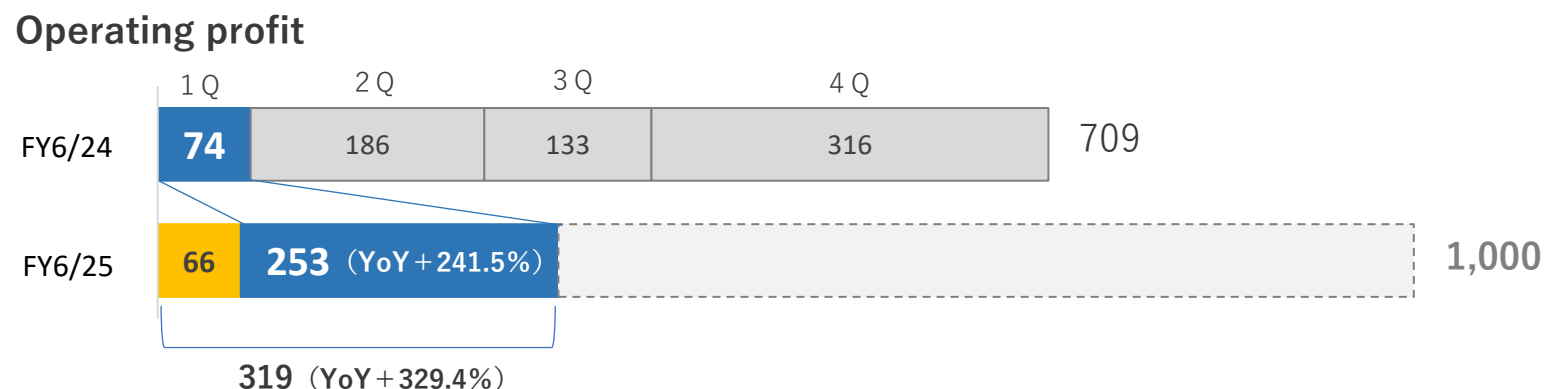
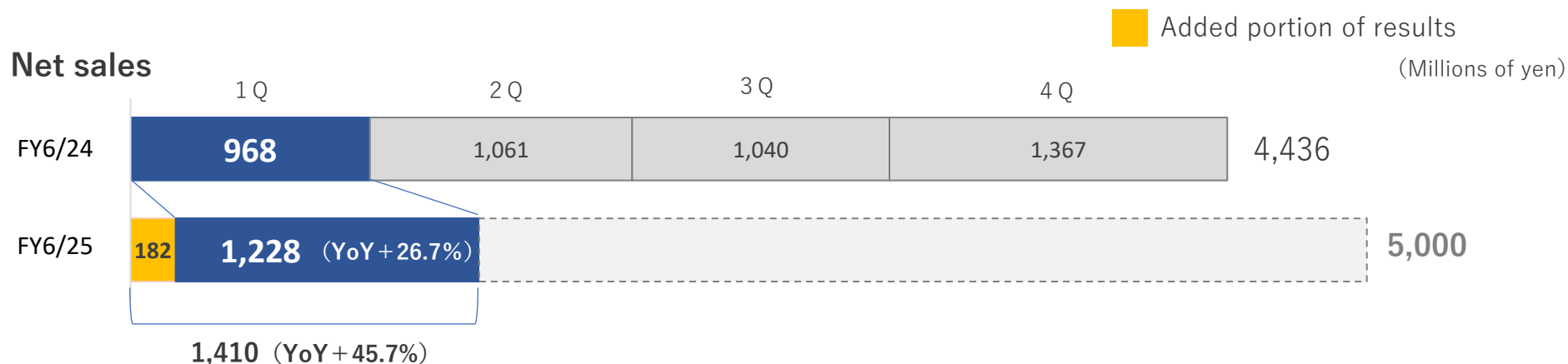
Results/Plan

※Cancellation rate refers to the average monthly cancellation rate, while the monthly cancellation rate refers to the percentage of the monthly amount billed under existing contracts that decreased as a result of cancellation.

Organic results, excluding contributions from mergers, also had a smooth start

Since our fiscal year ends in June and Real Net Pro, Inc.'s fiscal year ends in March, results for three months (April to June 2024) of Real Net Pro, Inc. were added to 1Q to align with the merger from July 2024. This will not apply from 2Q onward

■ Sales of 182 million yen and operating profit of 103 million yen were added to the 1Q results



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1Q FY6/25 Financial Highlights

1Q FY6/25 Financial Highlights

1Q Financial Highlights

Record high sales for quarterly. Operating profit recovered significantly due to increased sales and control of costs and SG&A.

Profit increased 4.3x YoY.

(Millions of yen)	1Q FY6/24	1Q FY6/25	YoY change	Full year plan	Explanation
Net sales	968	1,410	+ 45.7%	5,000	Record high sales for quarterly
Brokerage solutions	385	647	+ 68.1%	-	All three months' worth of performance additions go to Brokerage solutions. Increased due to sales expansion of cross-selling and B-to-B property listing service Reapro.
Property management solutions	572	749	+ 30.8%	-	Chintai Kakumei's upselling to new and existing customers. Stock sales have also accumulated and increased.
Gross profit	626	1,015	+62.1%	-	Increased due to sales increase + cost control. Progressing smoothly.
Gross profit margin	64.7%	72.0%	+7.3pt	-	
Operating profit	74	319	+329.4%	1,000	Steady progress due to sales increased + control of SG&A cost. Much higher than last year.
Operating profit margin	7.7%	22.6%	+14.9pt	20.0%	
EBITDA	161	435	+169.2%	-	
EBITDA margin	16.6%	30.9%	+14.3pt	-	
Ordinary profit	73	306	+315.9%	1,002	
Profit attributable to owners of parent	42	173	+304.3%	624	

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.

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performance_ Quarterly Trends

Both sales and operating profit exceeded the previous year's level, and the operating profit rate remained in the 20% range.

Sales remained strong in 1Q due to the leveling out of projects. Profit also increased due to cost/expense control.

■ Full-year Financial Highlights| Quarterly trends

	FY 6/24				FY 6/25			
	1Q	2 Q	3 Q	4 Q	1Q	2 Q	3 Q	4 Q
Net sales (Millions of yen)	968	1,061	1,040	1,367	1,410			
Brokerage solutions	385	404	410	451	647			
Property management solutions	572	646	619	903	749			
Operating profit	74	186	133	316	319			
Operating profit margin	7.7%	17.5%	12.9%	23.1%	22.6%			
Ordinary profit	73	189	133	345	306			
Profit attributable to owners of parent	42	123	77	186	173			

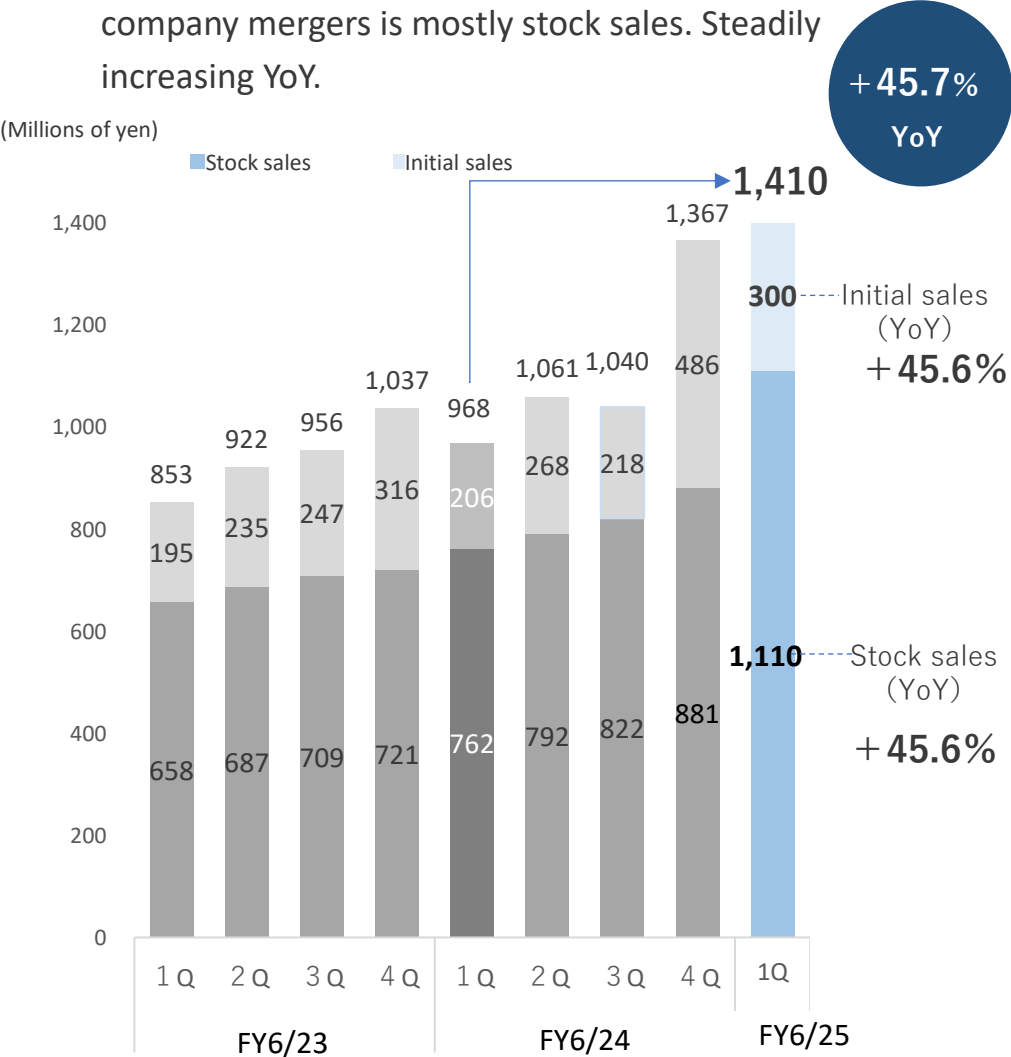
Brokerage solutions is sales of brokerage support services provided to real estate brokers.

Property management solutions is sales of administration support services provided to rental management companies.

Changes in each KPI

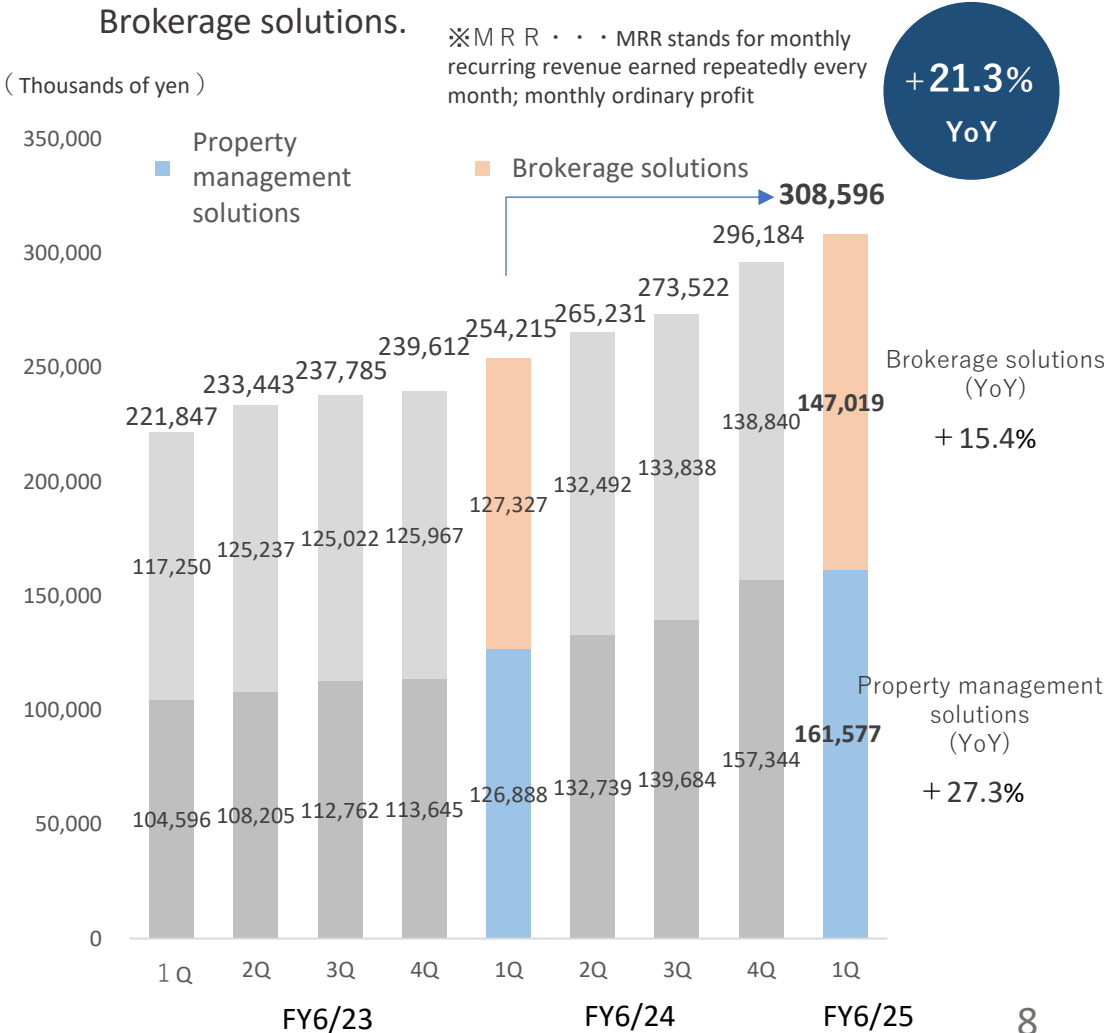
Changes in stock and initial sales

The addition of 3 months' worth of results due to company mergers is mostly stock sales. Steadily increasing YoY.



Growth of Monthly Recurring Revenue

Increase in both brokerage and property management solutions YoY + 21.3%. For results addition due to company merger, go to Brokerage solutions.



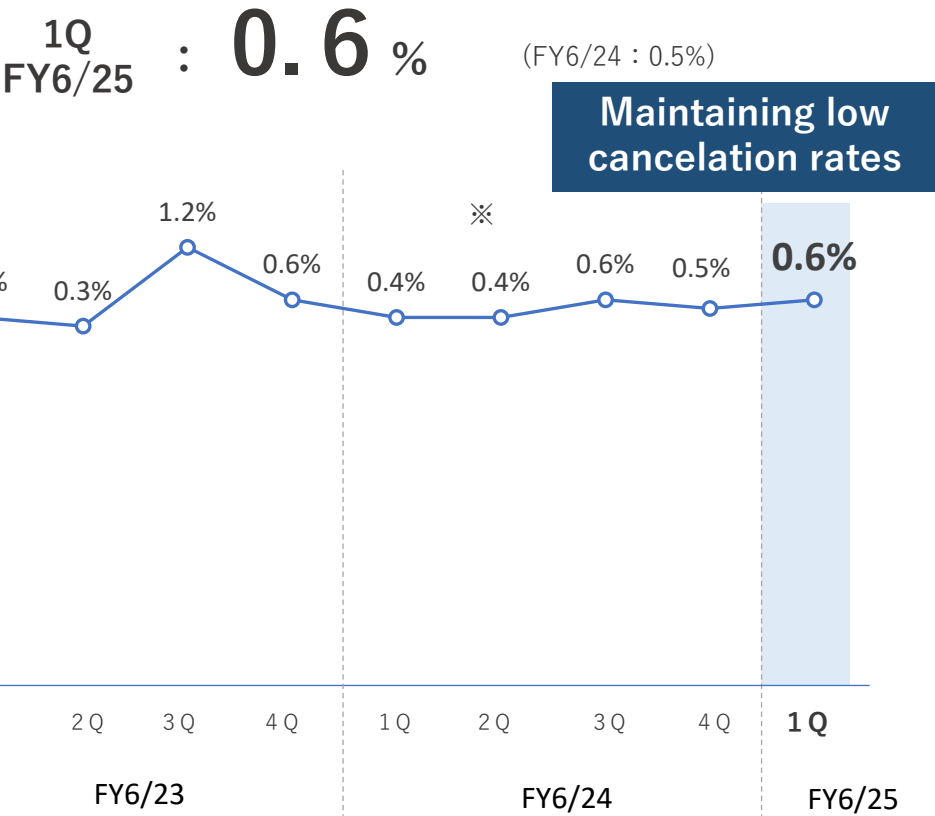
Changes in each KPI

■ Cancellation Rate

(average monthly cancellation rate)

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

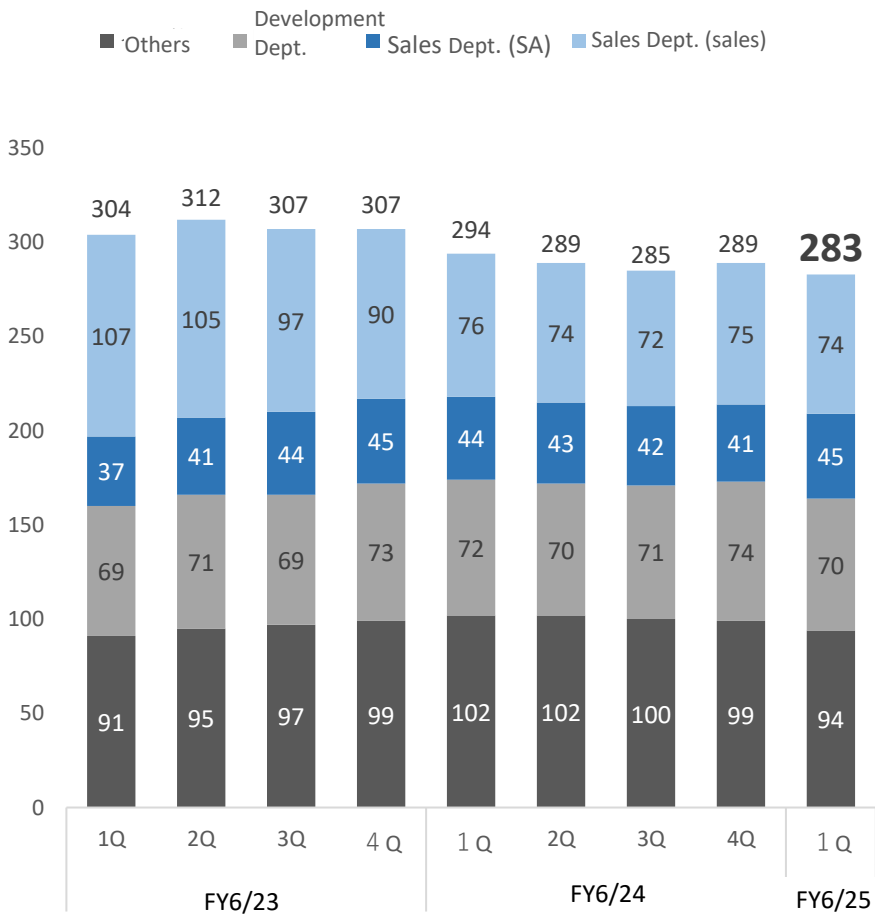
Average annual monthly cancellation rate



※The increase in the cancellation rate in FY2024 3Q is due to a temporary increase in the monthly cancellation rate due to the end of the provision of dedicated services to one specific user company in January 2023. After that, it returns to normal level.

■ Number of Full-time Employees

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

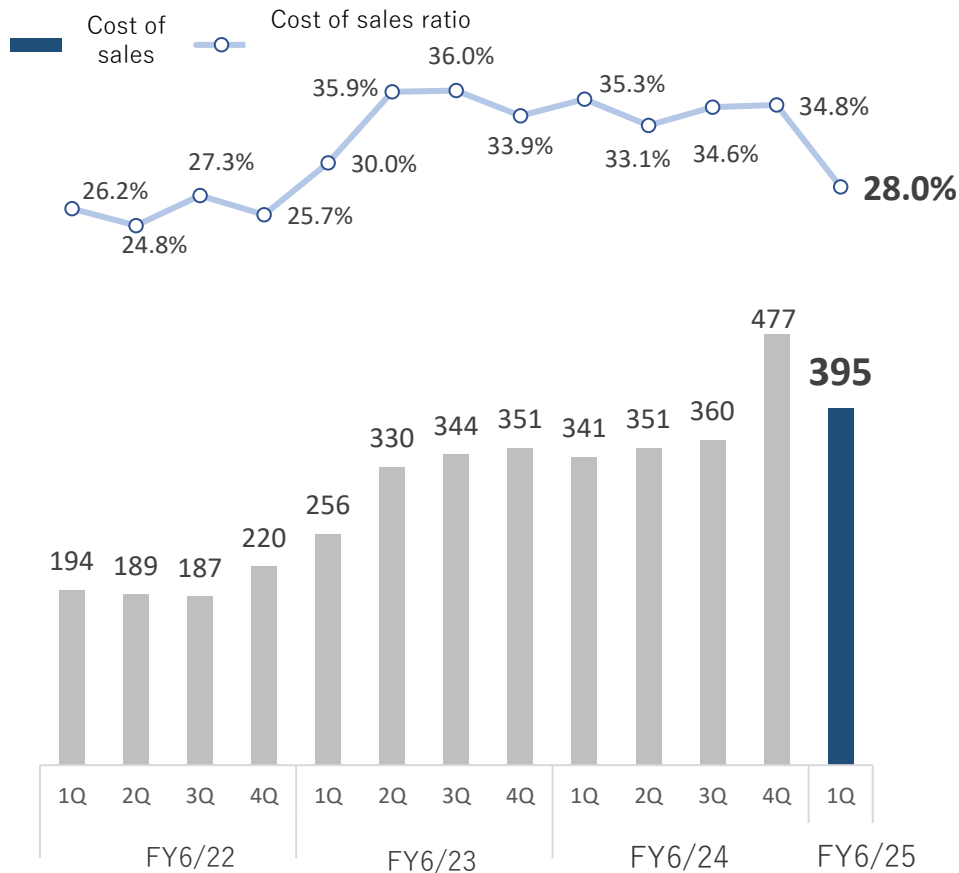


Changes in cost of sales and SG&A expenses

Cost of sales

Maintained the same level. (In the 4Q FY6/24, costs temporarily increased by approximately 60 million yen due to software amortization associated with settlement of accounts)

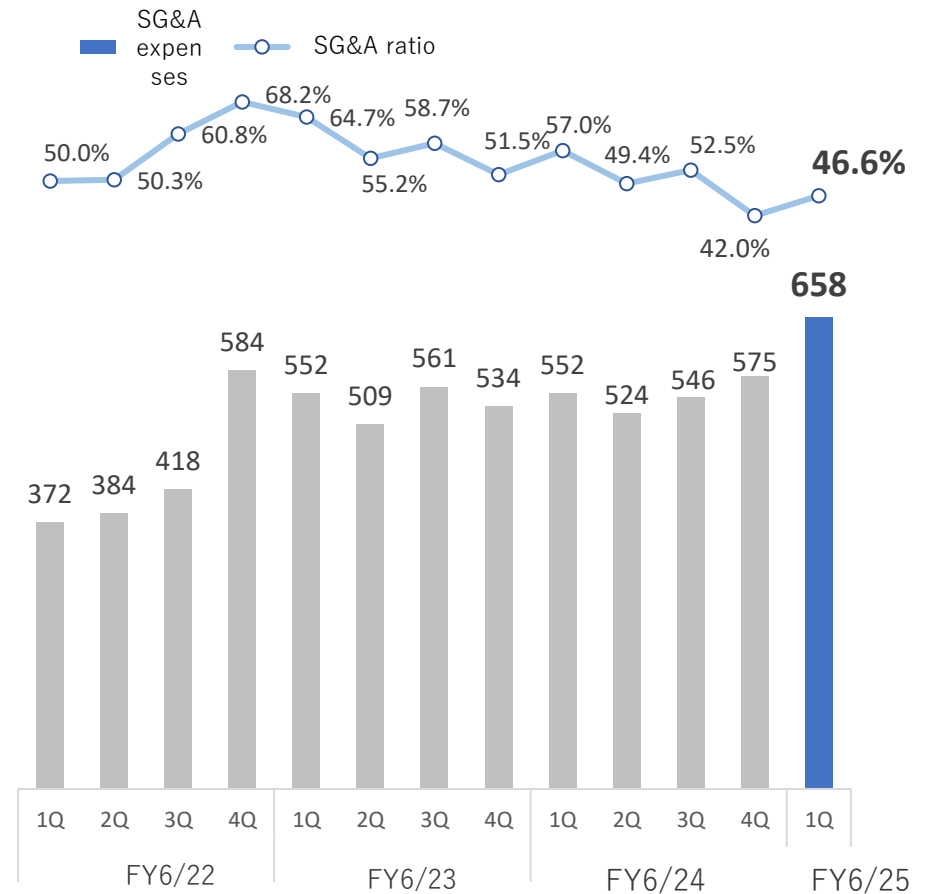
(Millions of yen)



SG&A expenses

Temporary increase in personnel costs due to salary revisions and depreciation costs associated with the merger of Real Net Pro, Inc. (approximately 70 million yen)

(Millions of yen)



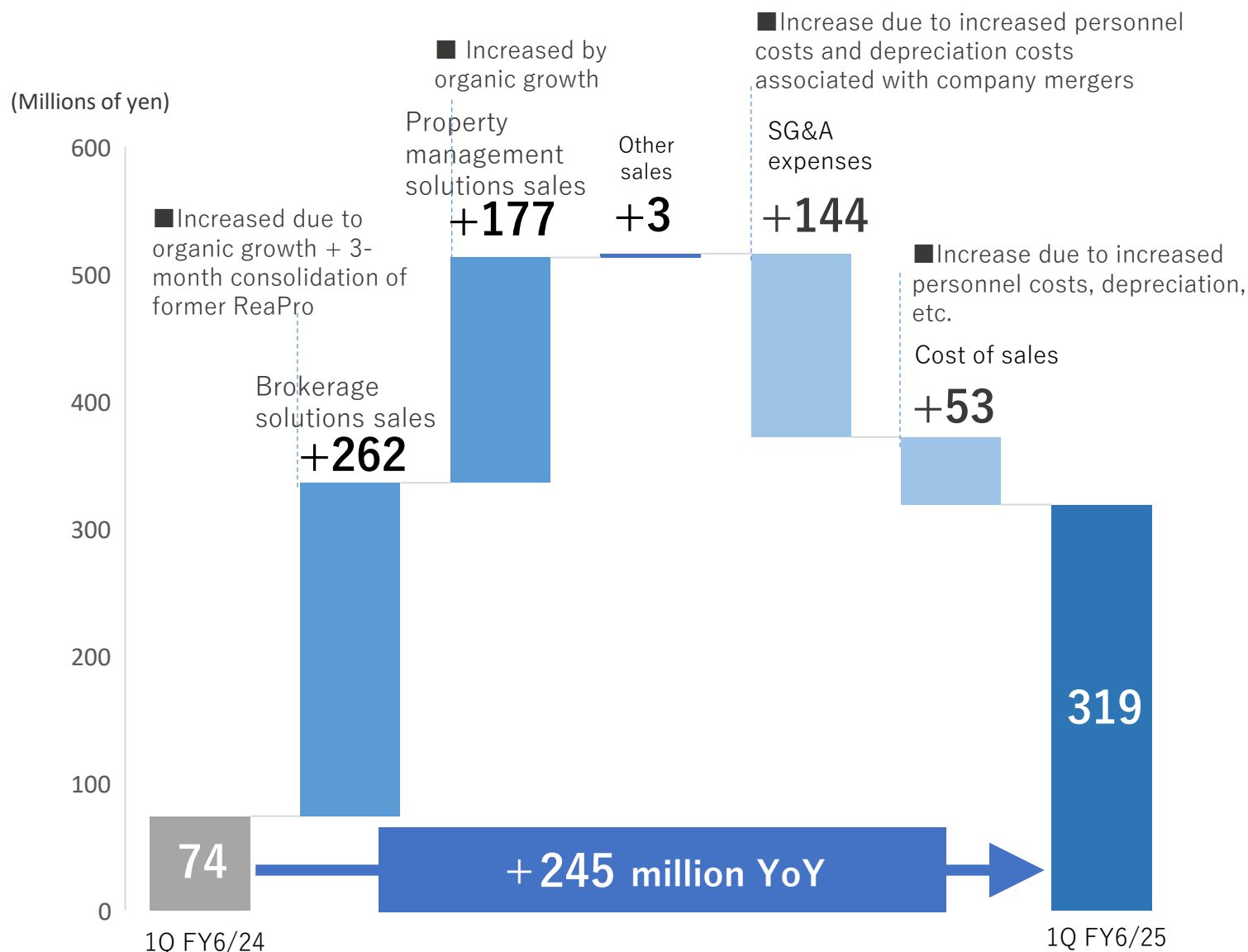
Components of Change in Operating Profit

Operating profit ¥ 319 million
Operating profit margin 22.6 %

YoY +329.4 %
(4.3 times)

Profits have increased due to increased sales and investment completion, aim to return to high profit margins going forward.

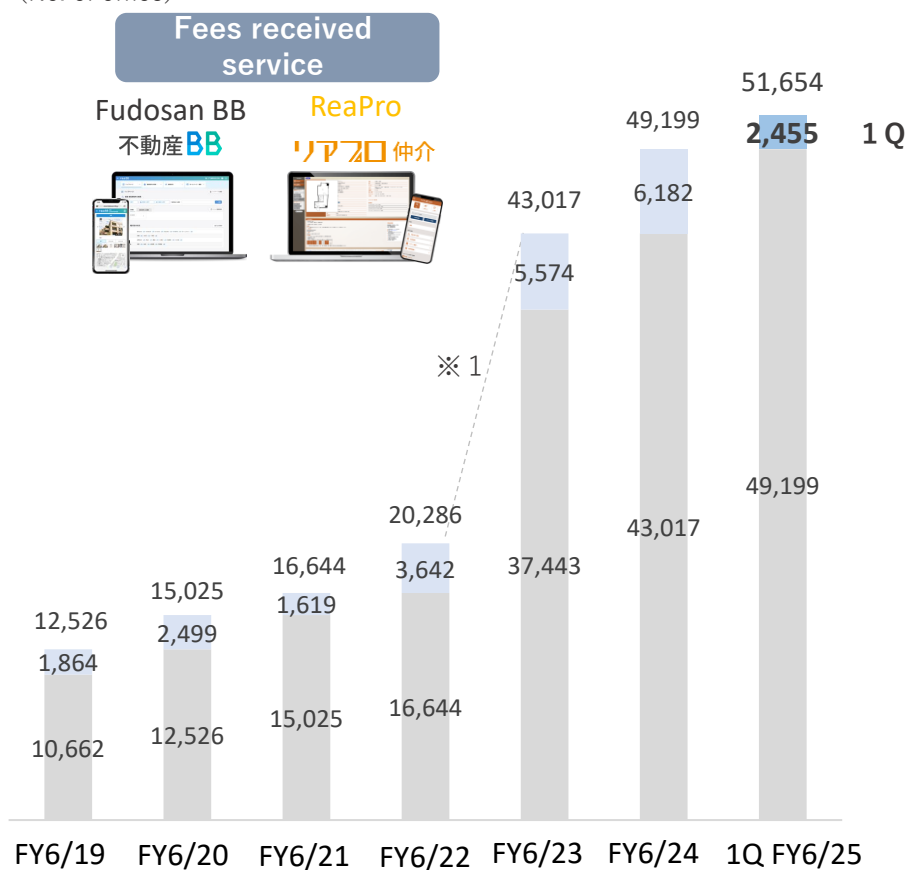
Components of Change in Operating Profit (YoY)



Increase of Customers for Services

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

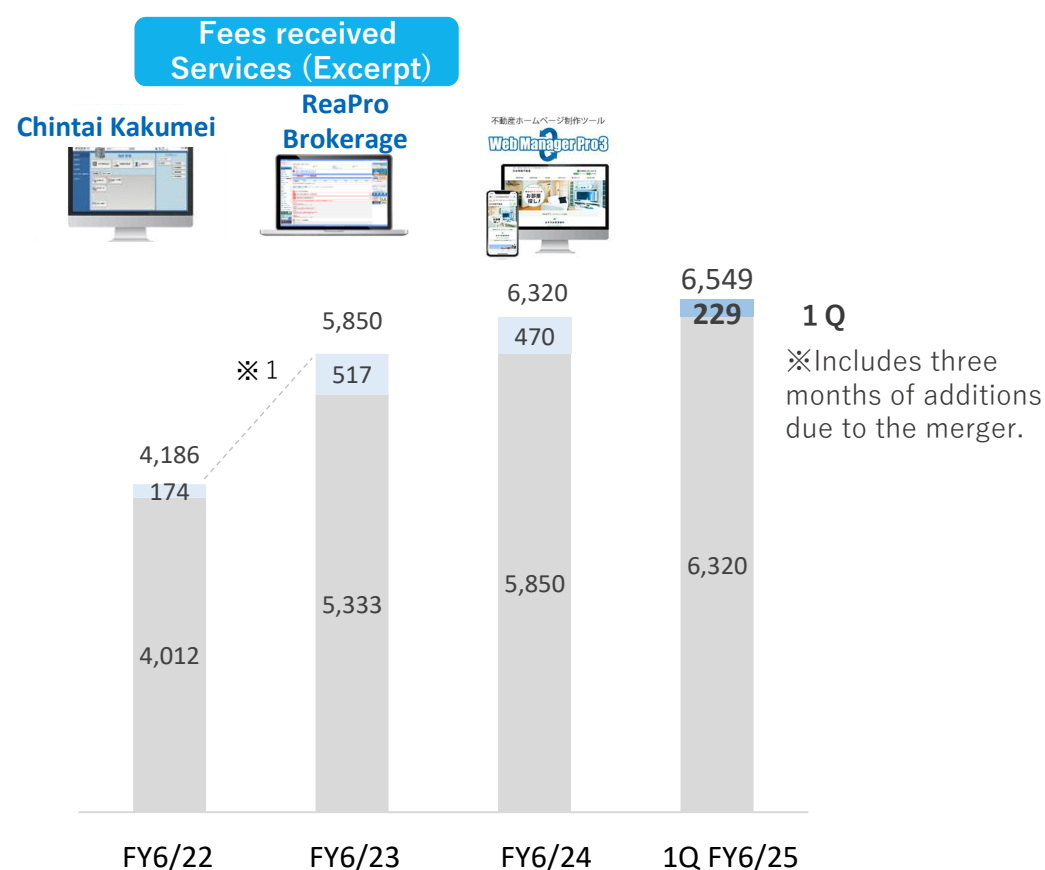
(No. of office)



※ 1 : Increase in the number of existing establishments at the beginning of FY6/23Add-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.

Number of customers using monthly Fees received services (all products)

(No. of office)




※ 1 : Increase in the number of existing establishments at the beginning of FY6/23Add-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.

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.

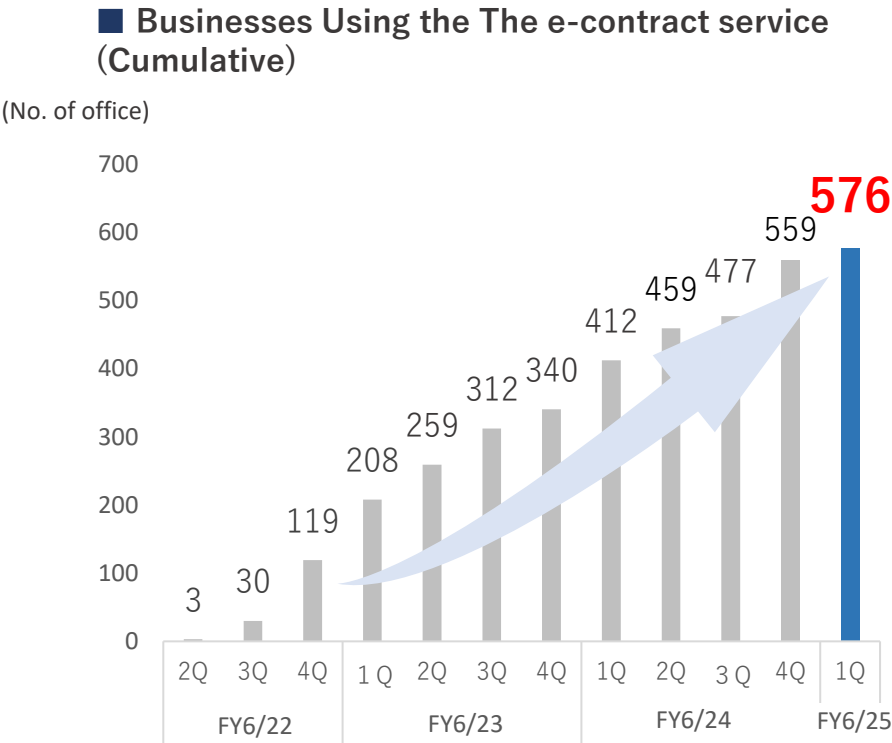
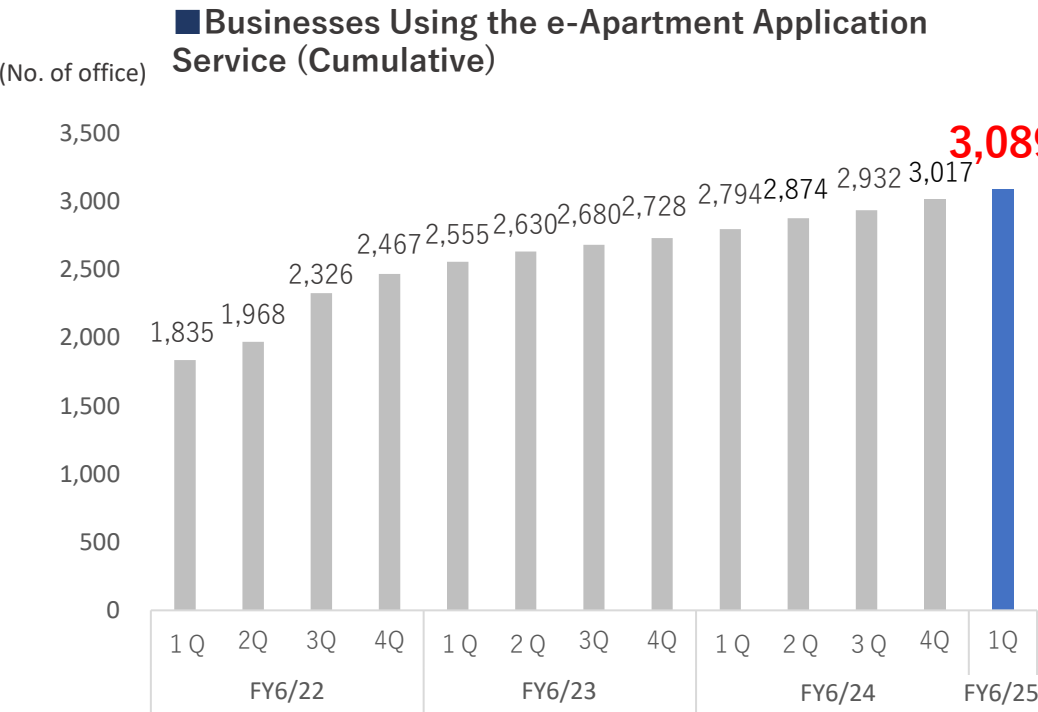
System for online contracts

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.



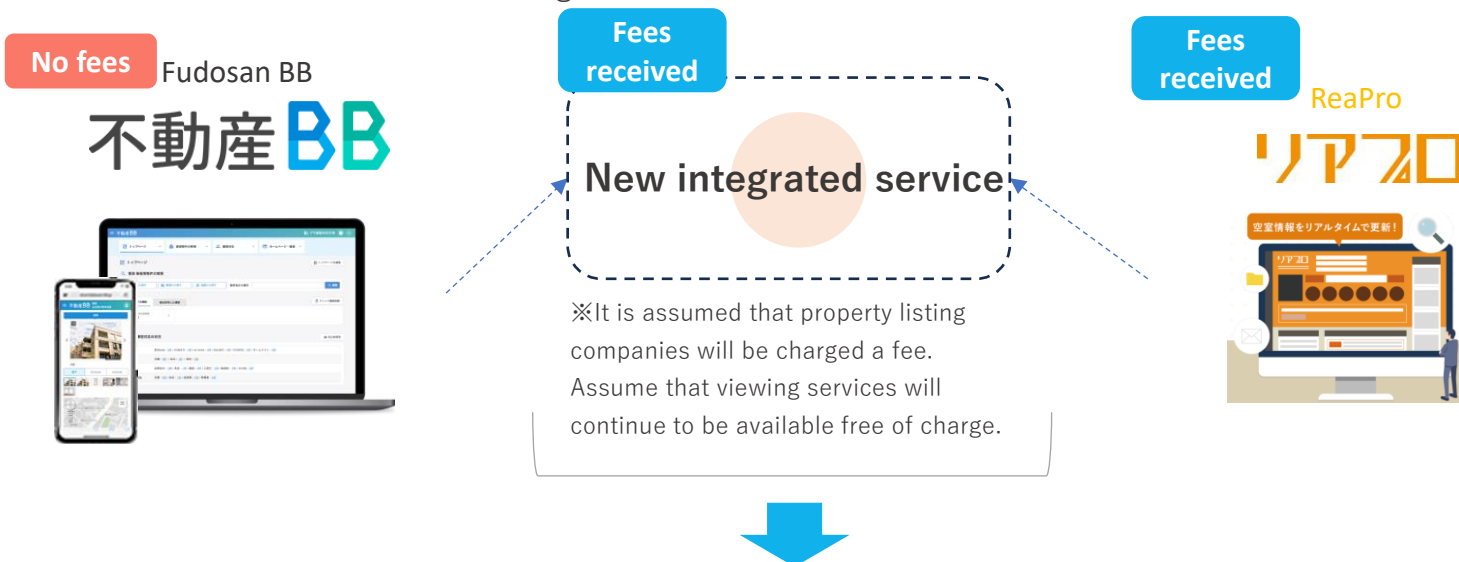
Integrated version “ReaProBB” Scheduled for release this fall has been changed to next spring (Spring 2025)

The release date has been changed to next spring in order to extend the development time to improve service quality and to avoid starting the service during the customer's busy season (December to March).

Inter-agent property distribution service Service integration

Fudosan BB + ReaPro

Continue to integrate (unify) our subsidiary services to become one of Japan's largest B-to-B services. Currently under development, planned to be rolled out as a paid service for real estate BB customers after integration.



Service scale after integration

※image

※The current total number of customers and the case where all customers have migrated to the new service are listed. (excluding duplicates)

Number of establishments using

※As of June 2024.

49,199 establishments

Number of properties in circulation (number of units)

※ As of May 2024.

**Approximately
380,000** items

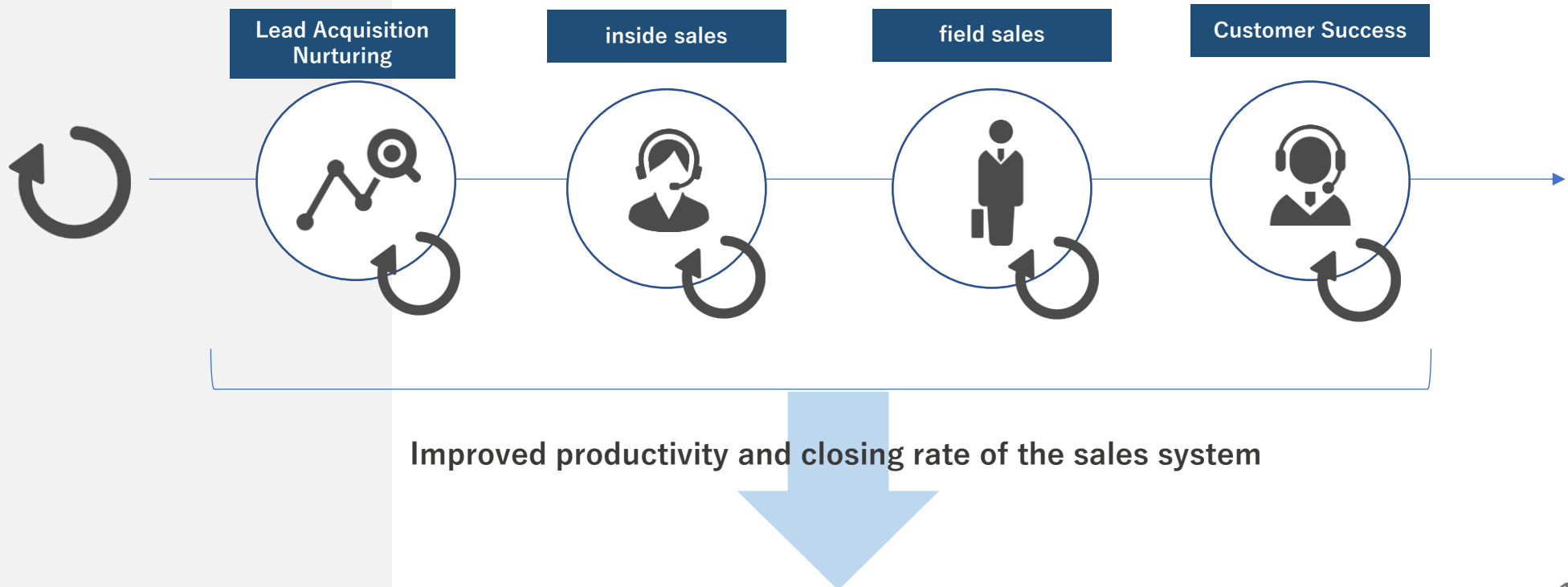
Becoming Japan's largest B-to-B service



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.

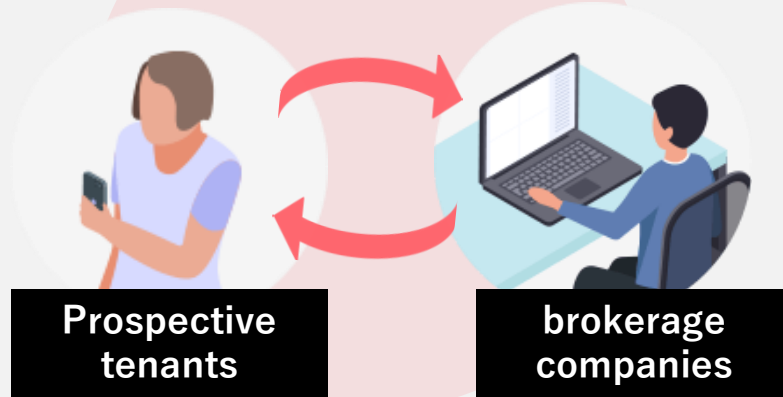


New medium-term management plan (FY6/25-FY6/27)

Expanding market share in the two solution businesses of brokerage and management.

Brokerage solutions business ReaPro business

Real Estate DX



Directly contribute to the real estate brokerage company's contribute to sales and profits

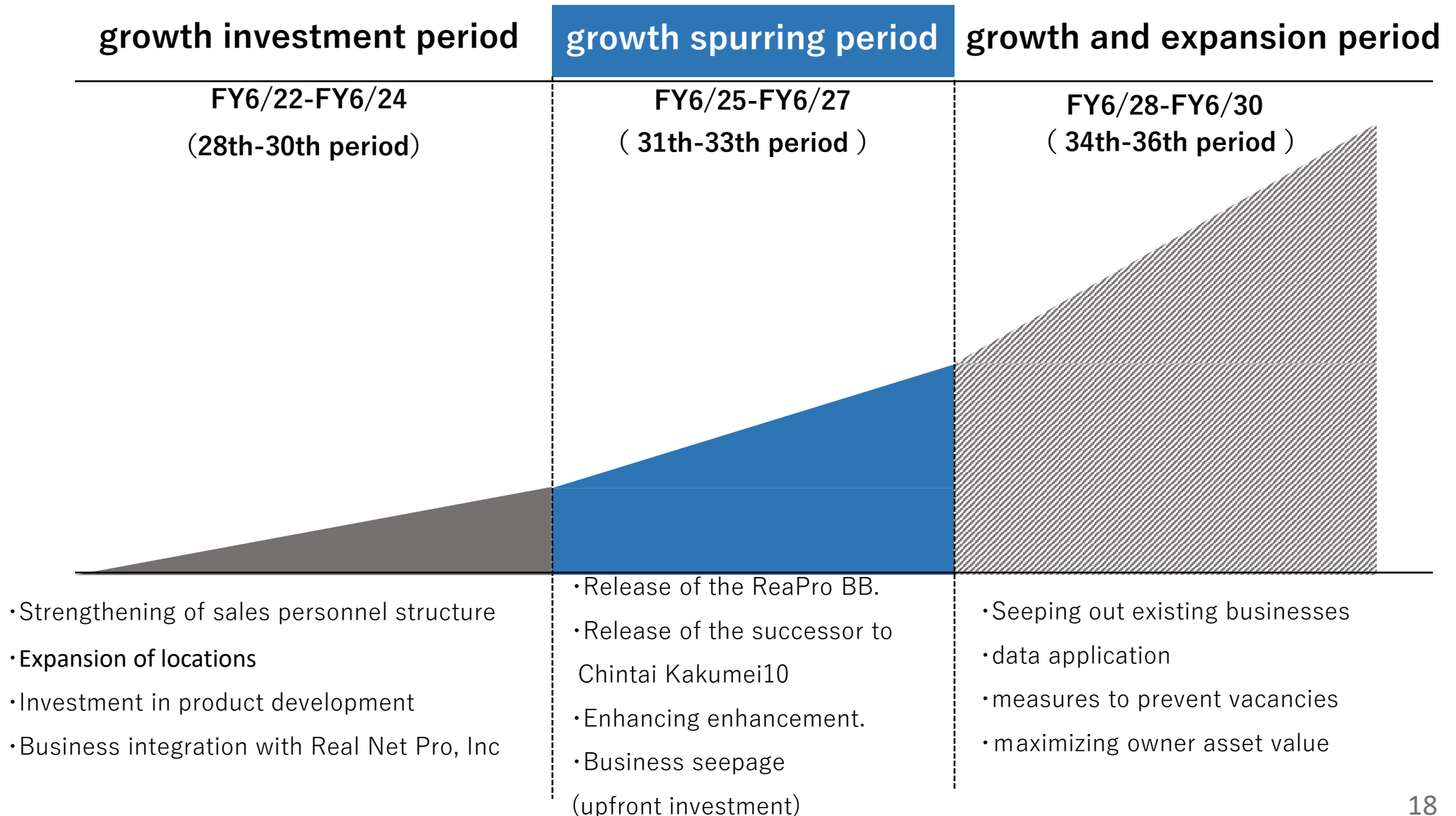
Property management solutions business

Real Estate DX



Reducing costs for property management companies Helping owners maximize asset value

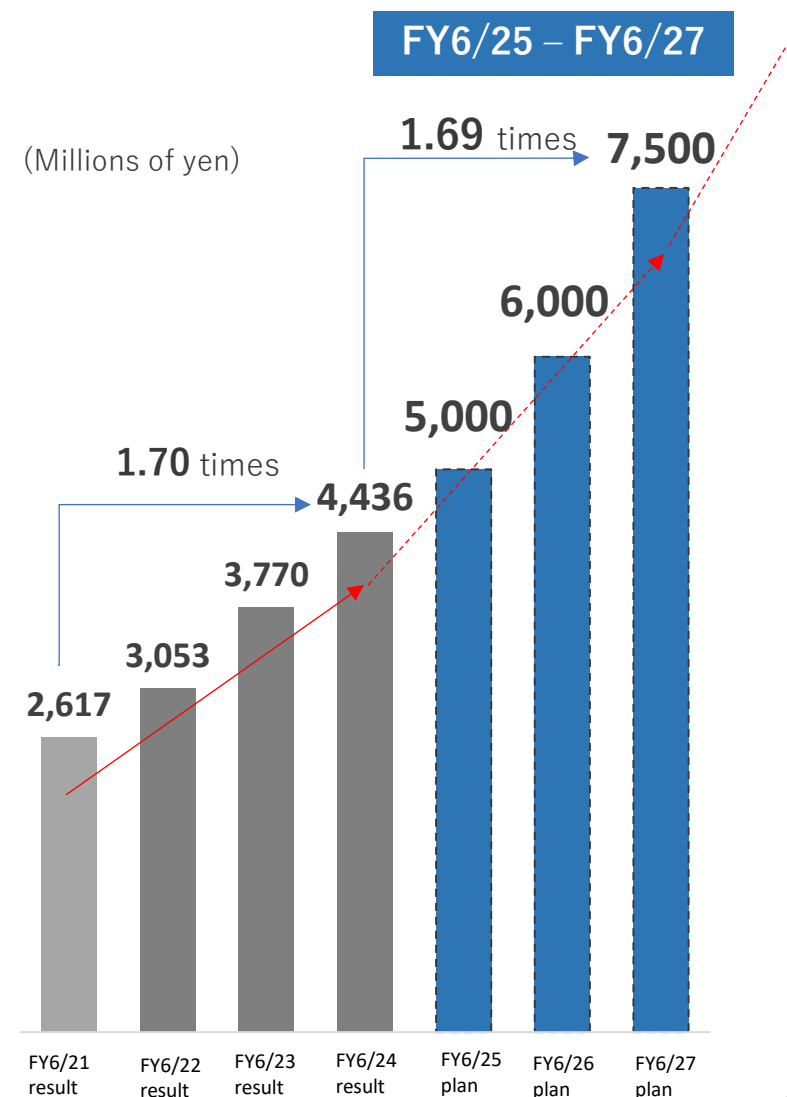
New medium-term management plan (FY6/25-FY6/27)



Performance plan (FY6/25 – FY6/27)

Focus on increasing sales and market share with an emphasis on improving sales and operating profit margins.

(Millions of yen)	FY6/25		FY6/26		FY6/27	
	plan	YoY	plan	YoY	plan	YoY
Net sales	5,000	+12.7%	6,000	+20.0%	7,500	+25.0%
Operating profit	1,000	+41.0%	1,300	+30.0%	2,000	+53.8%
Operating margin	20.0%	-	21.6%	-	26.6%	-



Organising the external and internal environment

external environment



Real estate working environment :

Continuing ageing and chronic workforce shortages



Real estate DX market :

Increased demand for digitisation due to changes in legislation



Number of real estate businesses :

Increased demand for IT investment due to the entry of approximately 6,000 new businesses each year



Products and services :

The core of the intermediary, ReaPro BB, is released next spring



sales productivity :

Increased sales productivity due to customer segmentation and a strengthened structure

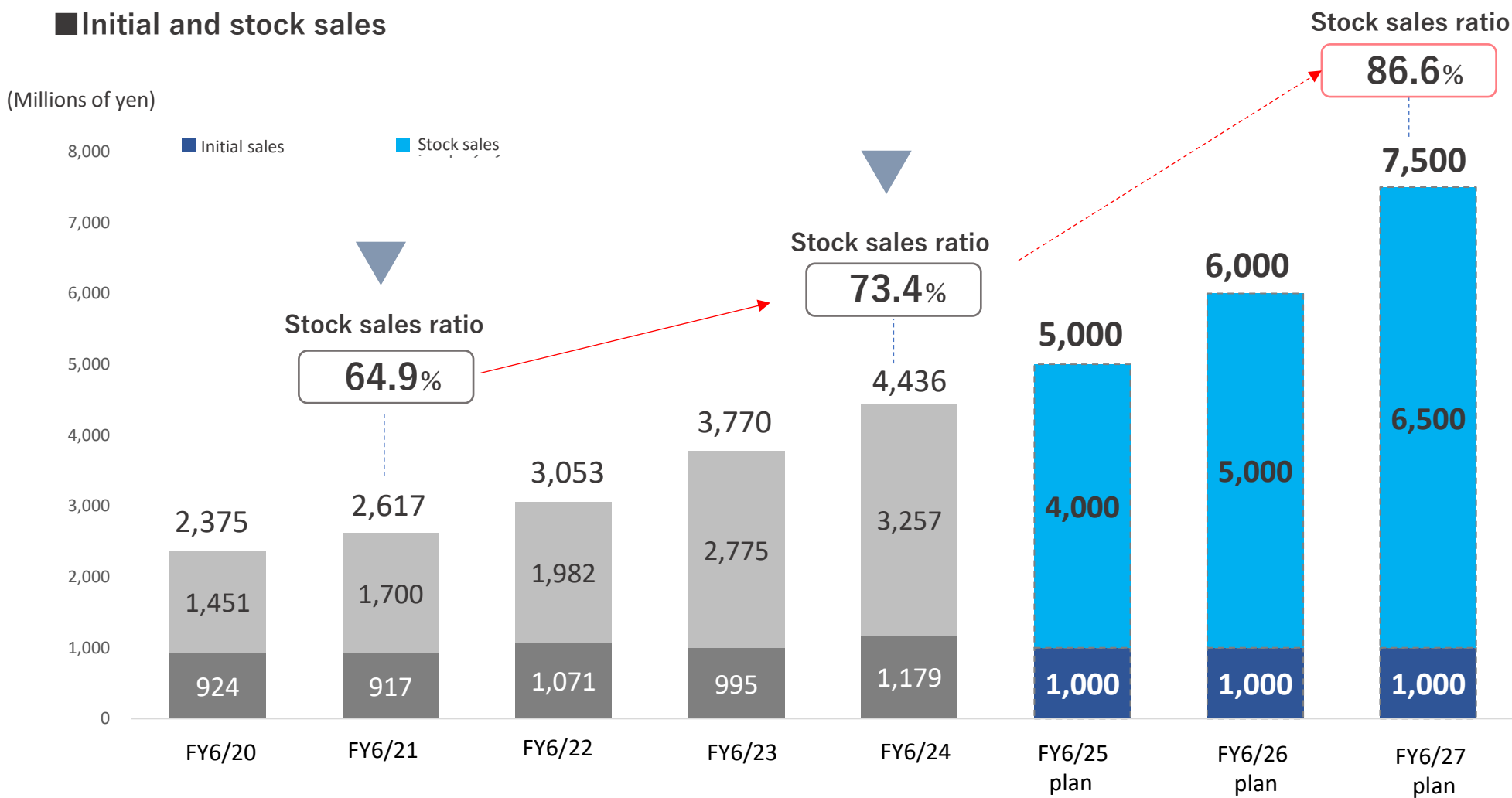


Low cancellation rate :

Maintain low churn rate of 0.5% despite continuous revenue growth

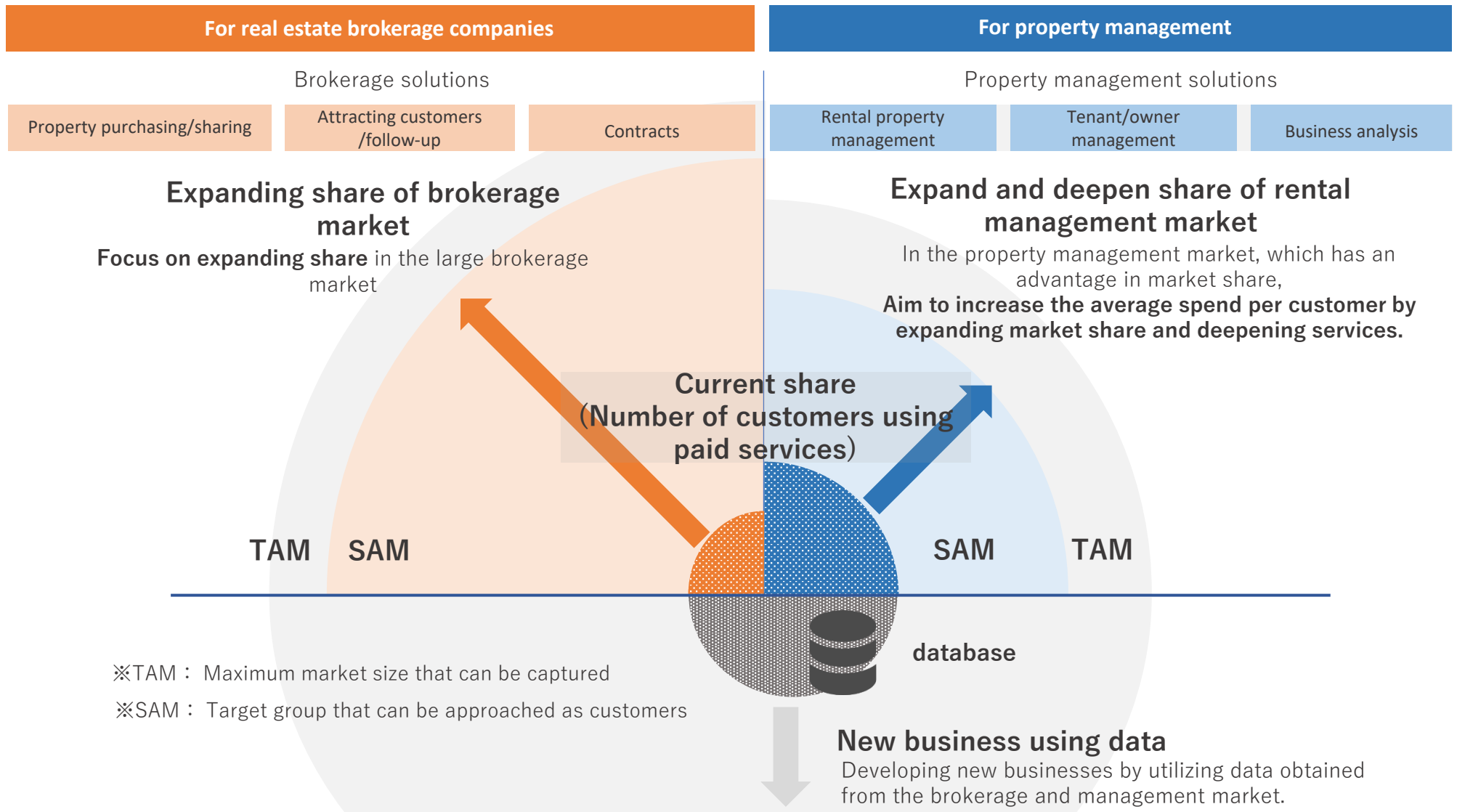
internal environment

Continuous sales growth through an increase in the stock sales ratio



- Initial sales: Sales recognized when a sale is made; consists of expenses for starting to use software and for the software license
- Steady revenue: License fees and service use fees recognized as sales during the utilization/maintenance period

Growth themes by market



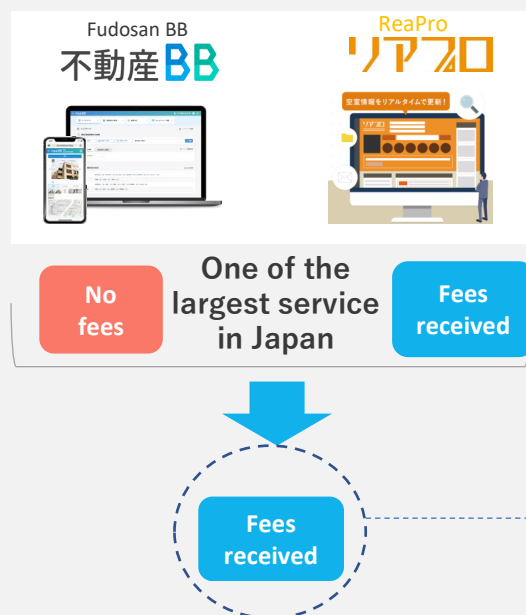
Accelerate through service integration

FudosanBB + ReaPro

Inter-company property distribution service

Scheduled for release next spring

Continue to integrate products to become one of the largest inter-company property distribution services in Japan. Currently under development, the current Fudosan BB is scheduled to be rolled out as a paid service after integration.



For real estate brokerage companies

Brokerage solutions

Property purchasing/sharing

Attracting customers /follow-up

Contracts

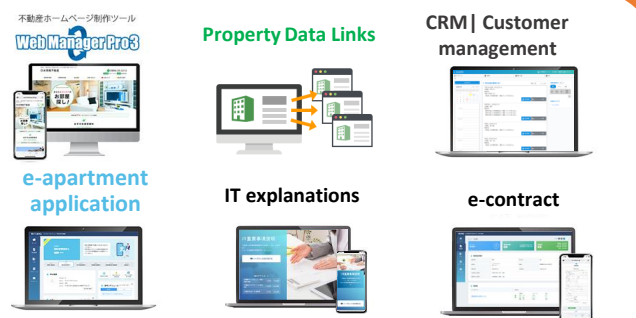
Expanding share of brokerage market

Focus on expanding share in the large brokerage market

By integrating FudosanBB and ReaPro
Accelerate acquisition of intermediary market through related services

Free service customers
49,000 companies

※As of the end of June 2024



TAM SAM

Deepening existing businesses

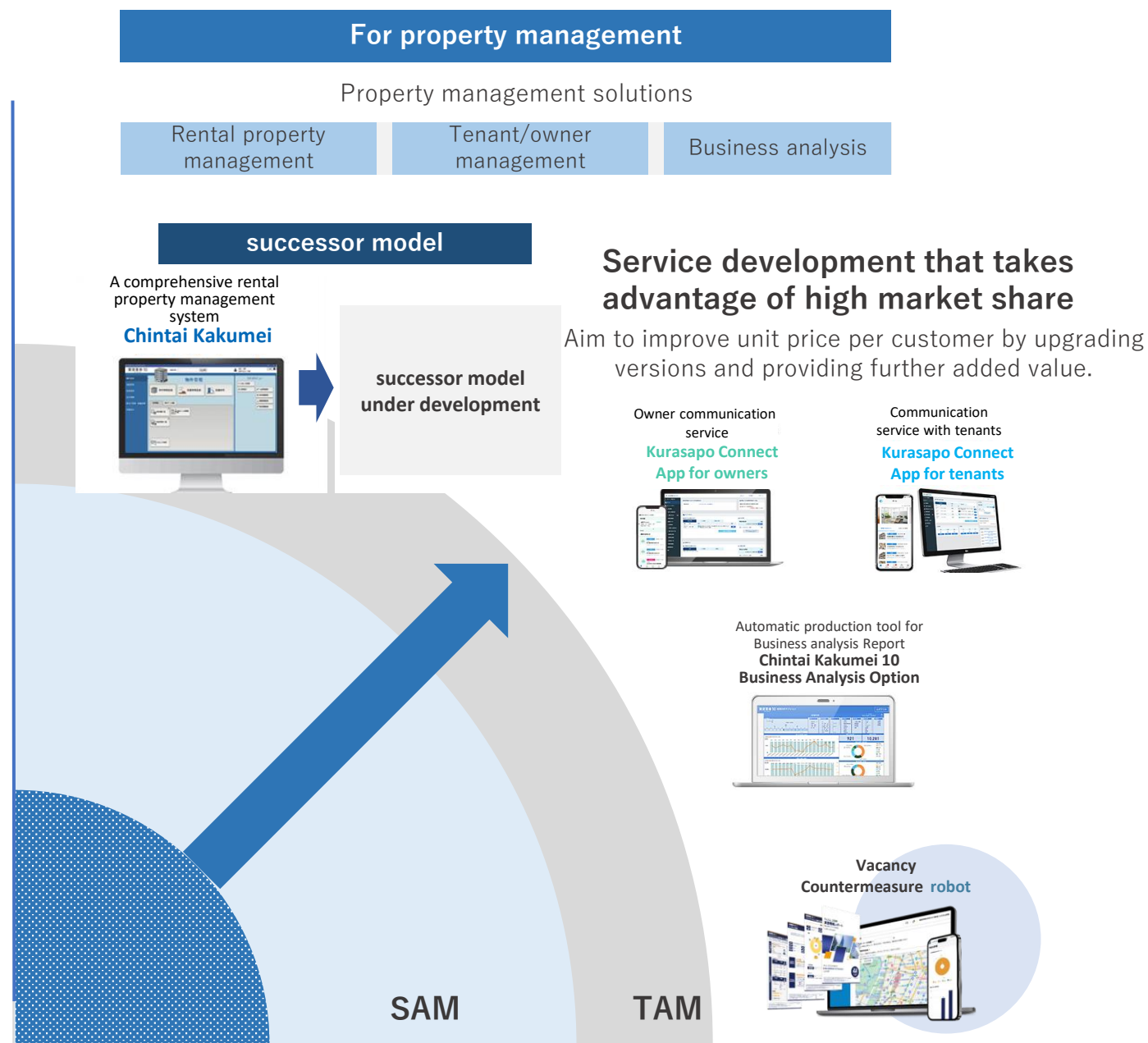
In the management market where have a strong advantage, aim to increase the average spend per customer by providing new value.

■ Advantage in the rental management market

Since its founding, its main service, Chintai Kakumei, has enjoyed a high market share, and resales through version upgrades and option sales are also large. Aim to increase the unit price per customer through the main unit and related services.

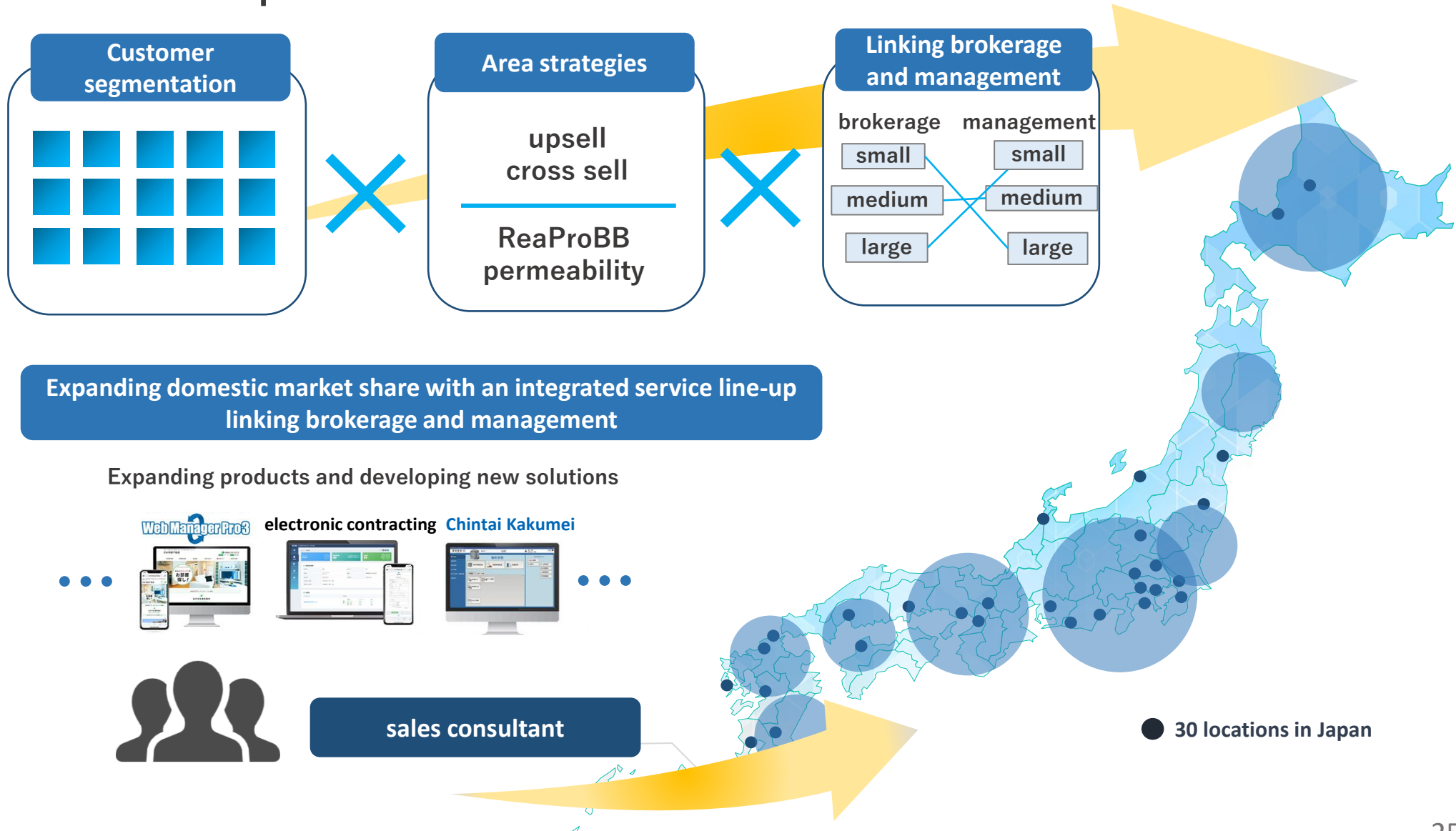
■ Vacancy Countermeasure robot equipped with AI assessment

Will start selling Vacancy Countermeasure robots for management companies in August 2023 by utilizing AI that takes advantage of our data volume advantage. Increase the added value of services by utilizing new technology.



Basic strategy

Customer segmentation and area strategies and connecting customers with one-stop services.

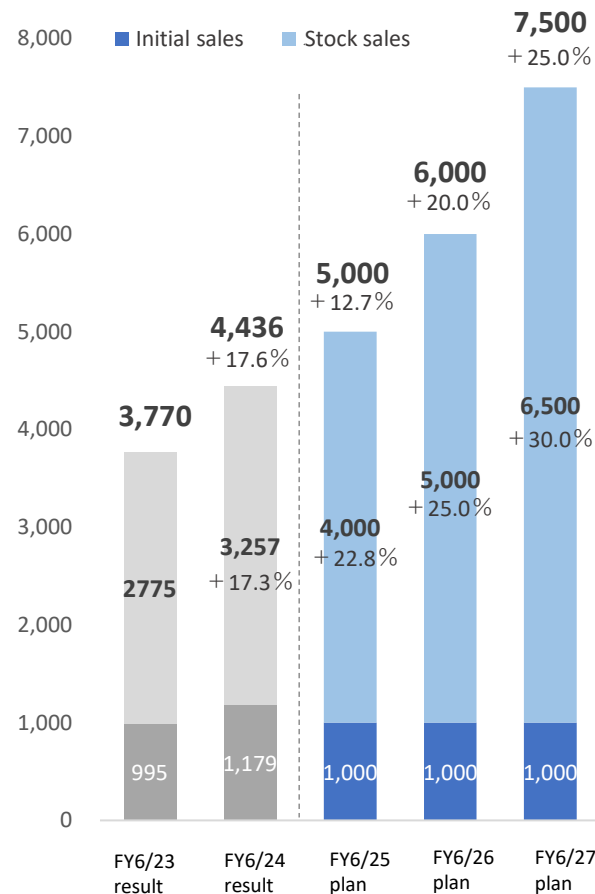


Key indicators for achievement

Initial and stock sales plan

Flat growth in Initial sales, increase Stock sales and expand growth.

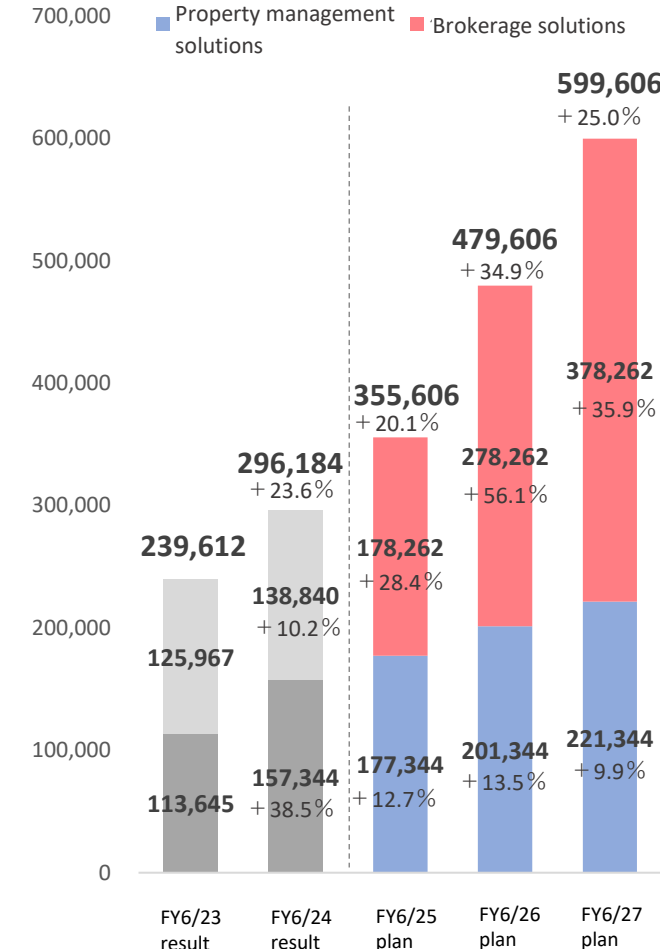
(Millions of yen)



Plan for MRR at the end of the year

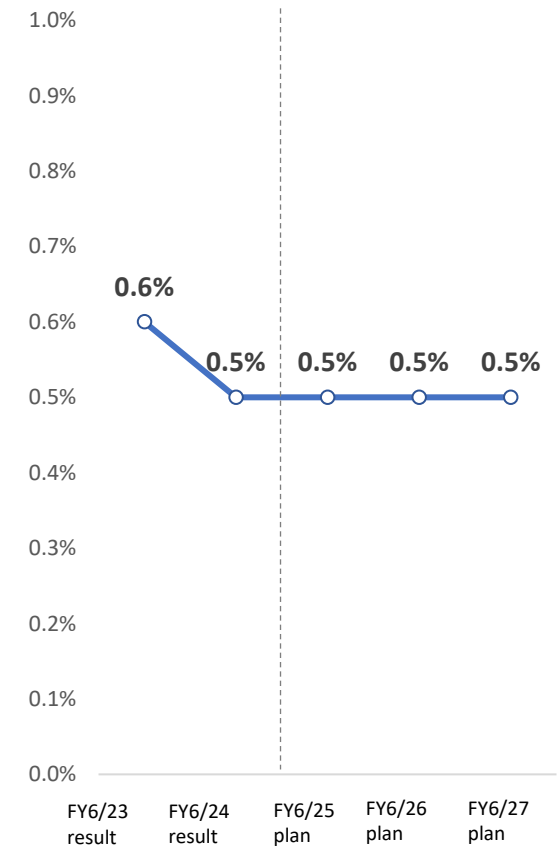
Accumulation of charges is important.
Aggressive promotion of Brokerage solutions, with ReaPro BB as the mainstay.

(Thousands of yen)



Cancellation Rate

Maintain low cancellation rates while increasing performance.
Focus on supporting customer occupancy.



New business using data

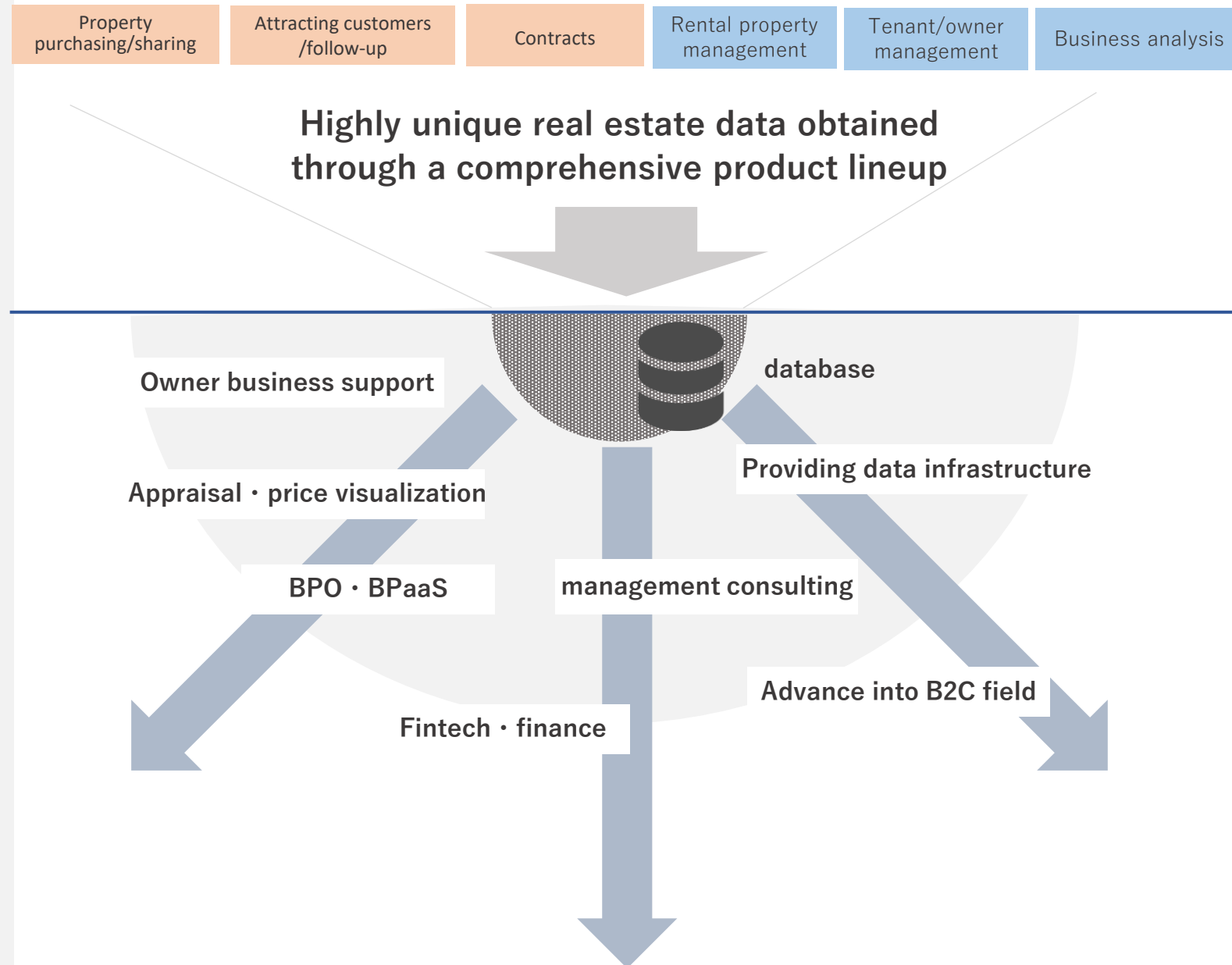
Continue to invest in new businesses that utilize highly unique real estate-related data

■ With medium- to long-term growth in mind

While expanding our share in the management and brokerage markets, continue to invest in new businesses that utilize data as our third arrow.

■ Highly unique real estate related data

Rather than general recruitment data on the web, we maintain real management data owned by rental management companies. Aim to grow new businesses by utilizing highly unique data obtained from integrated products.



Appendix

- 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**

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



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

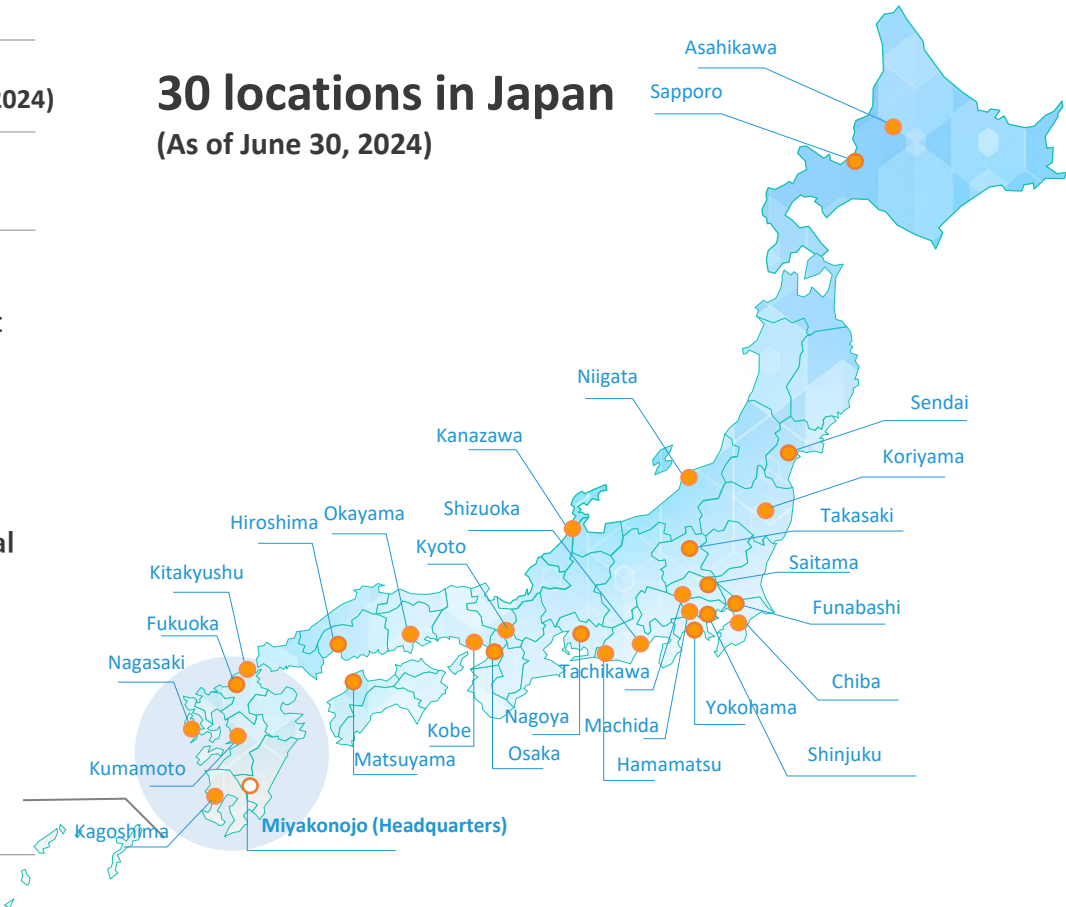
Apr 1991 Joined Recruit Co.
Apr 2008 Sales Executive Officer, Sales Management Department, Marriage Information Magazine Zexy Business Division
Apr 2015 Marriage & Family Business Executive Officer, General Manager of Business Division
Oct 2018 President and Representative Director of B.MARKETING Co. (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
Sep 2023 President and Representative Director of our firm (current)

Company Profile

Company name	Japan PropTech Co., Ltd.
Establishment	August 1994
Location	13-18 Kanmachi, Miyakonojo-shi, Miyazaki prefecture
Number of employees	313 including 289 full-time employees (As of June 30, 2024)
Business activities	Development and sales of application systems and services for real estate industry
経営陣	Yonetsu Kenichi, Representative Director Chairman CEO Tsumimura Kunio, Representative Director, President COO Maruta Hideaki, Director, Chief of Staff, Head of Human Resources Senokuchi Naohiro, Director, Chief of Staff, Head of Administration Watanabe Ryo, Director, Chief of Operations, General Manager of Business Division Yamamoto Osamu, External Director Miyazaki Tomoaki, Director, Audit & Supervisory Committee member Miura Hiroshi, External Director, Audit & Supervisory Committee member Tomoko Furuse, External Director, Audit & Supervisory Committee member
Listed market	Tokyo Stock Exchange (Growth) code: 4054

Offices Sapporo/Asahikawa/Sendai/Koriyama/Takasaki/Niigata
Shinjuku/Tachikawa/Saitama/Funabashi/Chiba/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, 2024)



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

Sales Transition

**Sales increased
for 30
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): 5,393
※As of June 30, 2024

Number of
domestic offices

30 locations

※ As of June 30, 2024

Low cancellation
rate

0.5%

Average monthly cancellation
rate

※Results of FY6/24

MRR

296 million

Approximately 73% of sales
are stock sales

※ As of June 30, 2024

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

Expanding an Integrated Product Lineup in the SaaS x real estate tech area.

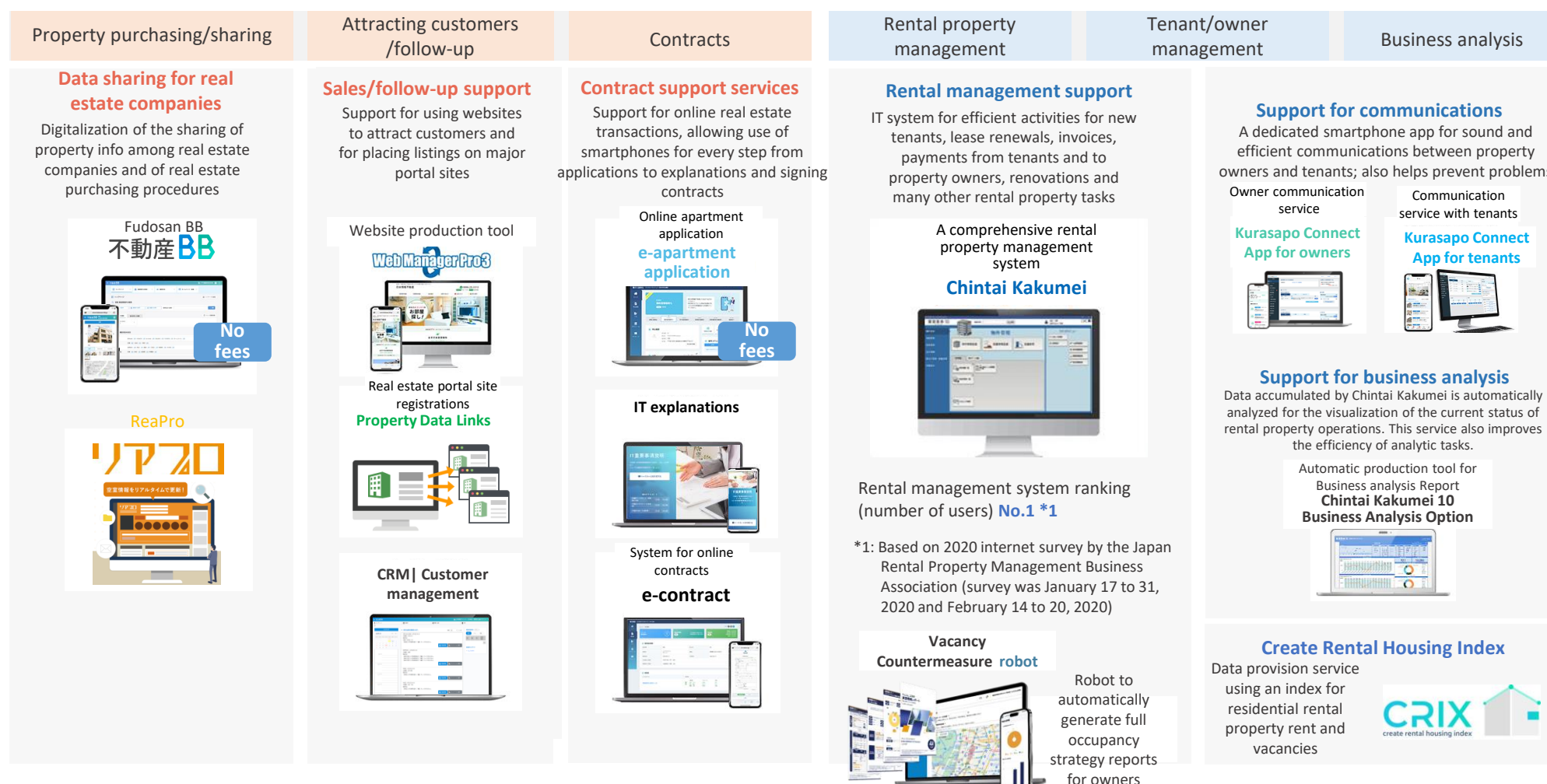
For real estate brokerage companies

Brokerage solutions

For property management

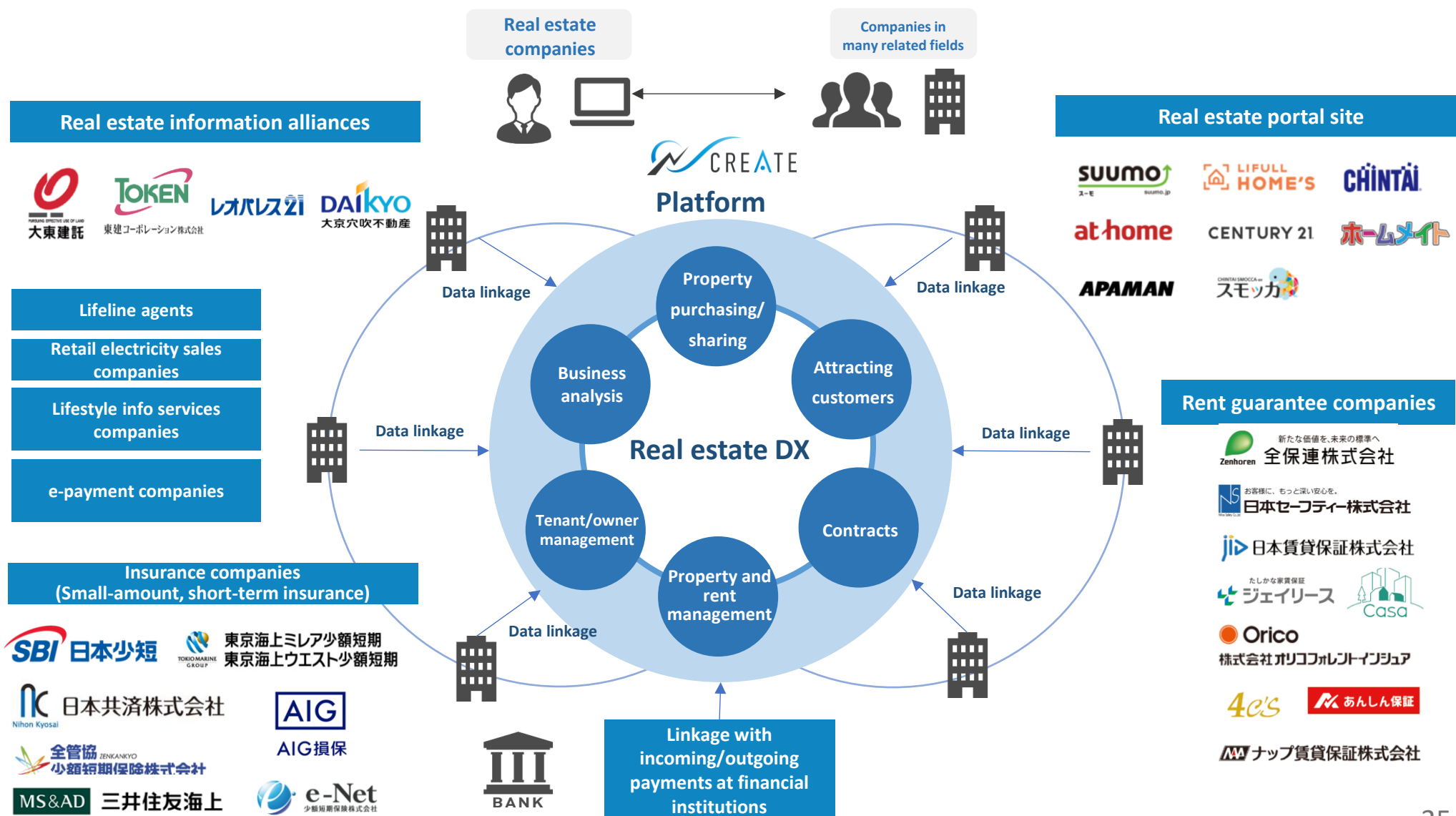
Property management solutions

All-inclusive workflow solutions for the real estate industry



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.



Growing market environment

Japan's Growing Real Estate Technology Industry

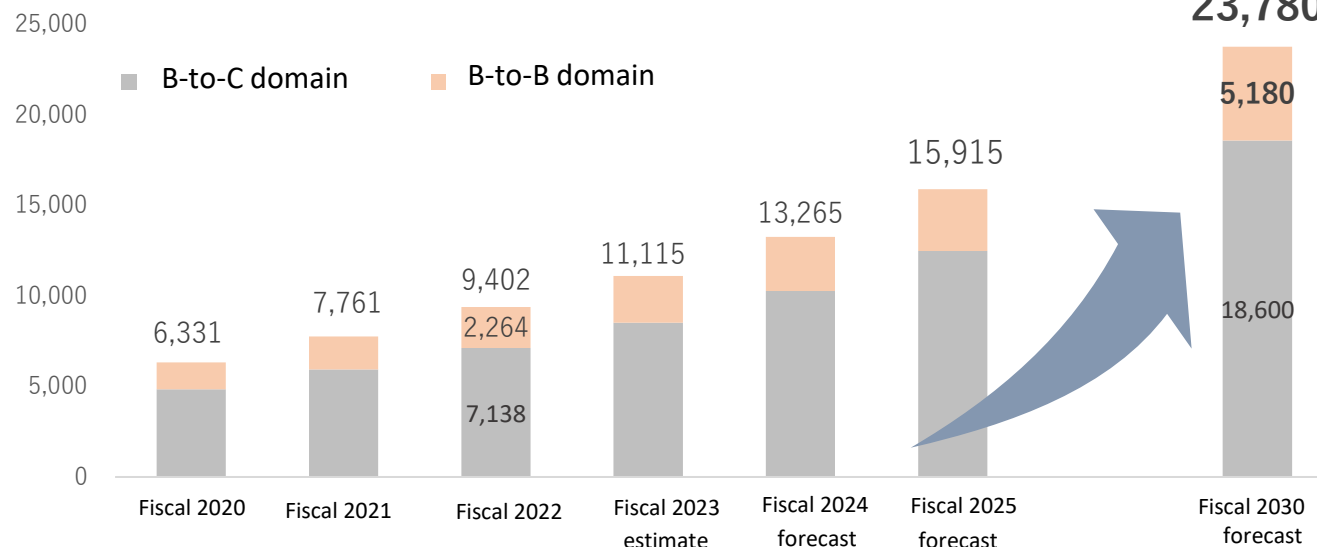
Fiscal 2030 forecast

Market size: **¥2,378 billion**

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

2024 Real Estate Tech Market Facts and Outlook.

(100 million yen)

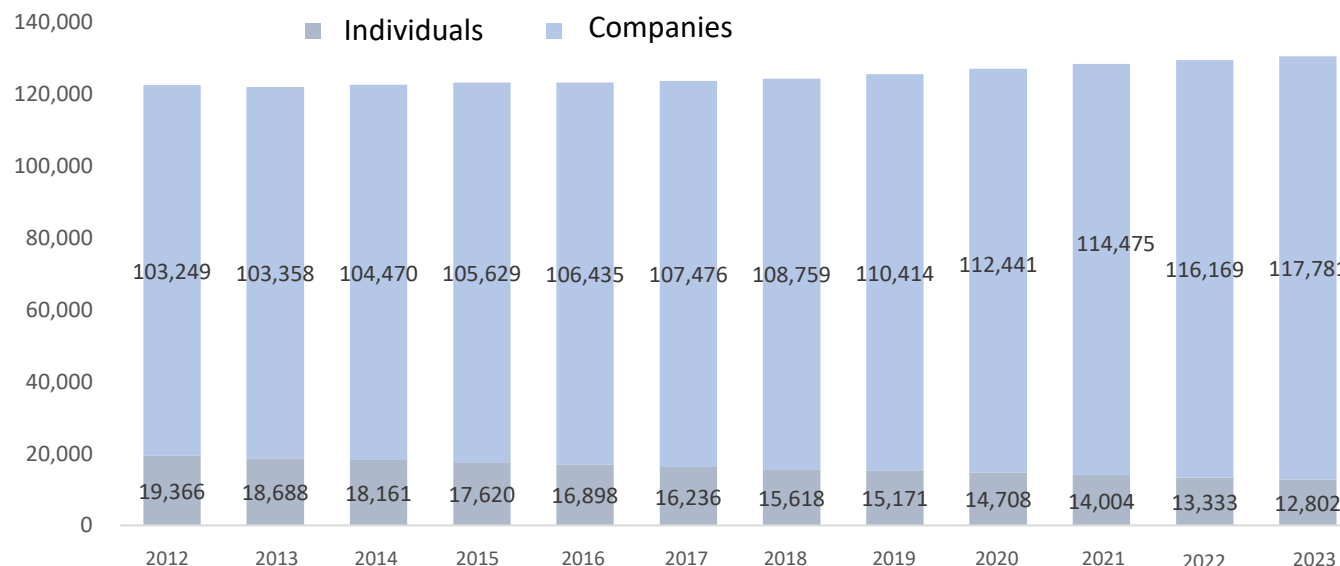


Homebuilders in Japan

The number of homebuilders has increased slightly, remaining generally **steady at about 130,000**

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 2023)



Source: Statistics for Homebuilders and Residential Land and Building Transaction Brokers, Homebuilders in Japan, end of fiscal 2023, Real Estate Transaction Improvement Organization

Growing market environment

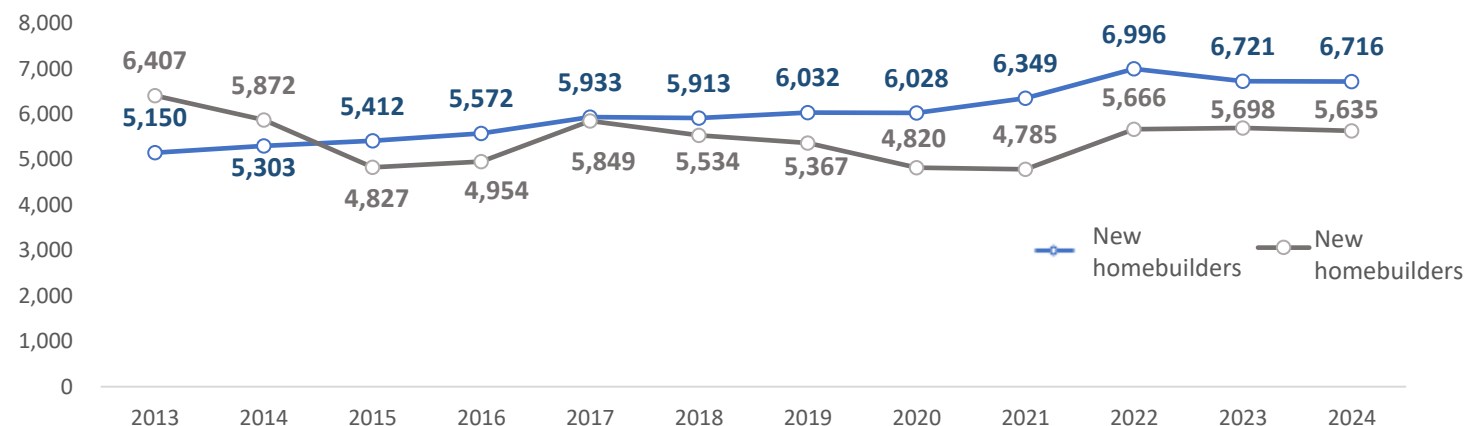
Due to new business openings IT capital investment demand

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

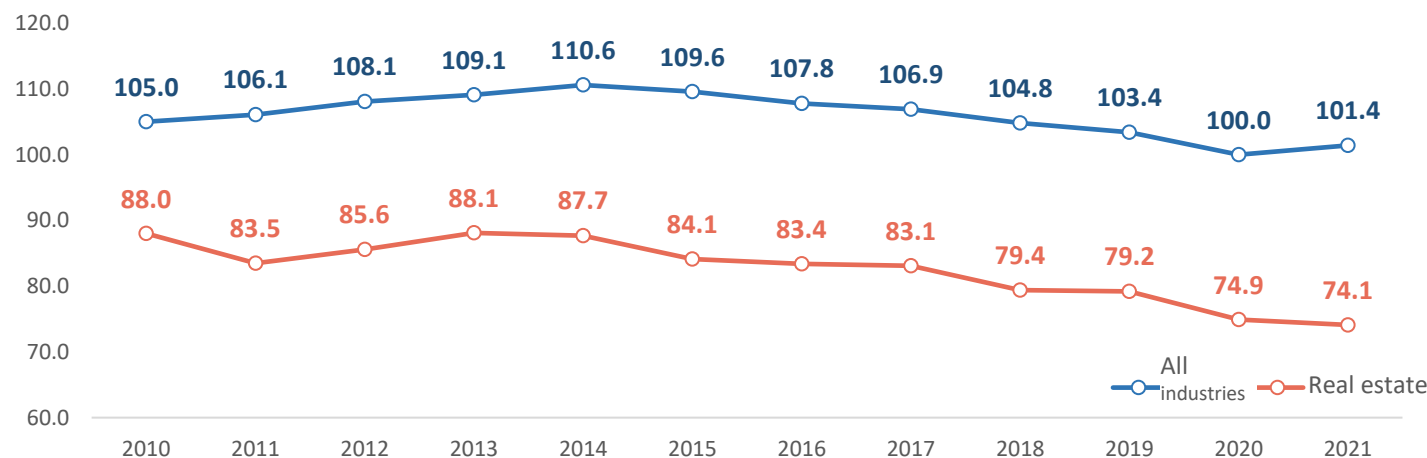
Labor productivity in the real estate industry is low and the demand for DX to improve it will continue to grow. We will support the improvement of labor productivity in the industry with our one-stop product lineup that covers a wide range of operations.

Change in number of homebuilders in Japan



Source: Real Estate Transaction Improvement Organization, Report on Brokerage Activities, fiscal year 2023. Regarding the survey on the actual conditions of the real estate brokerage business, titled 'Actual Conditions of Real Estate Brokerage Business.'

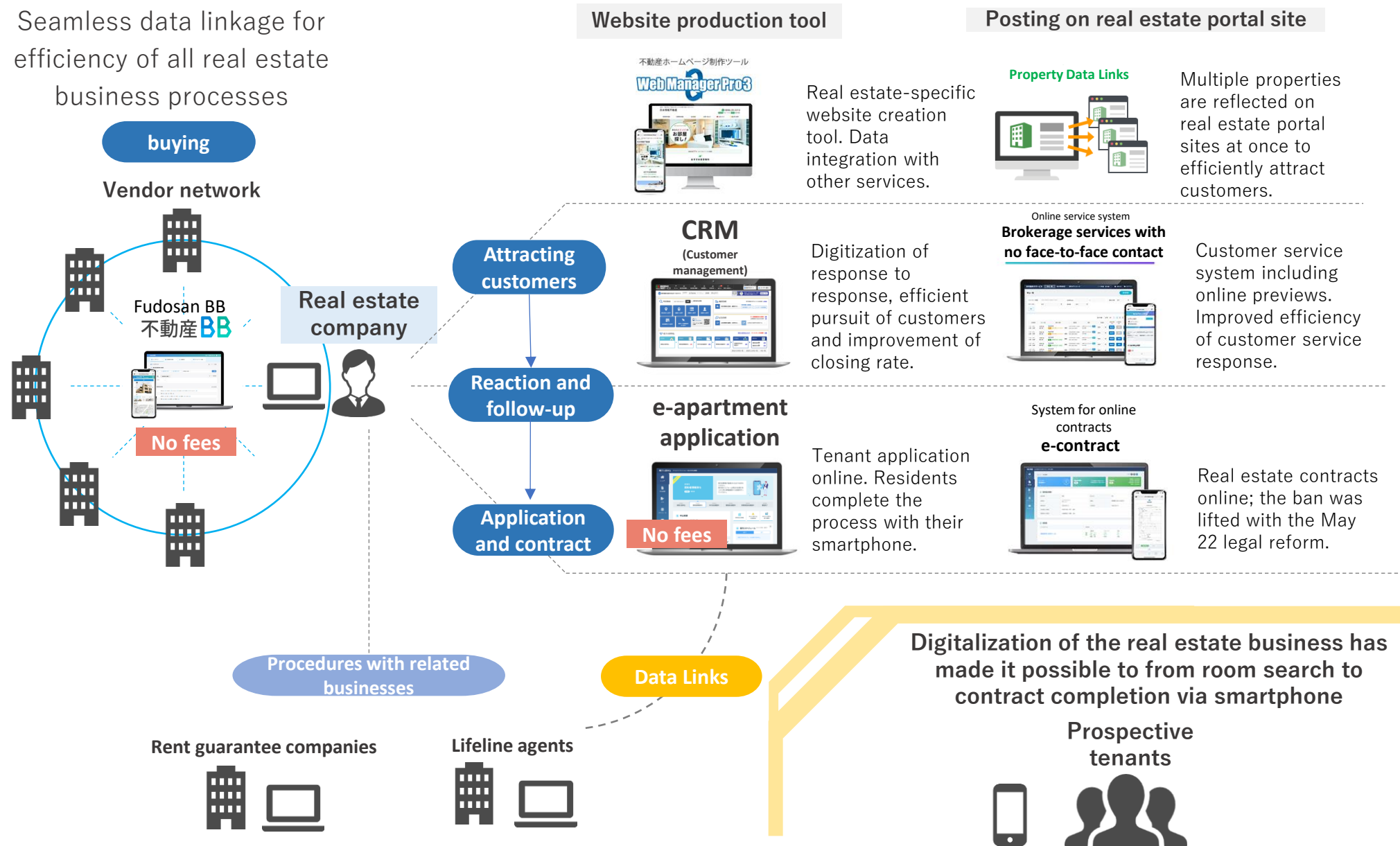
Labor productivity index



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

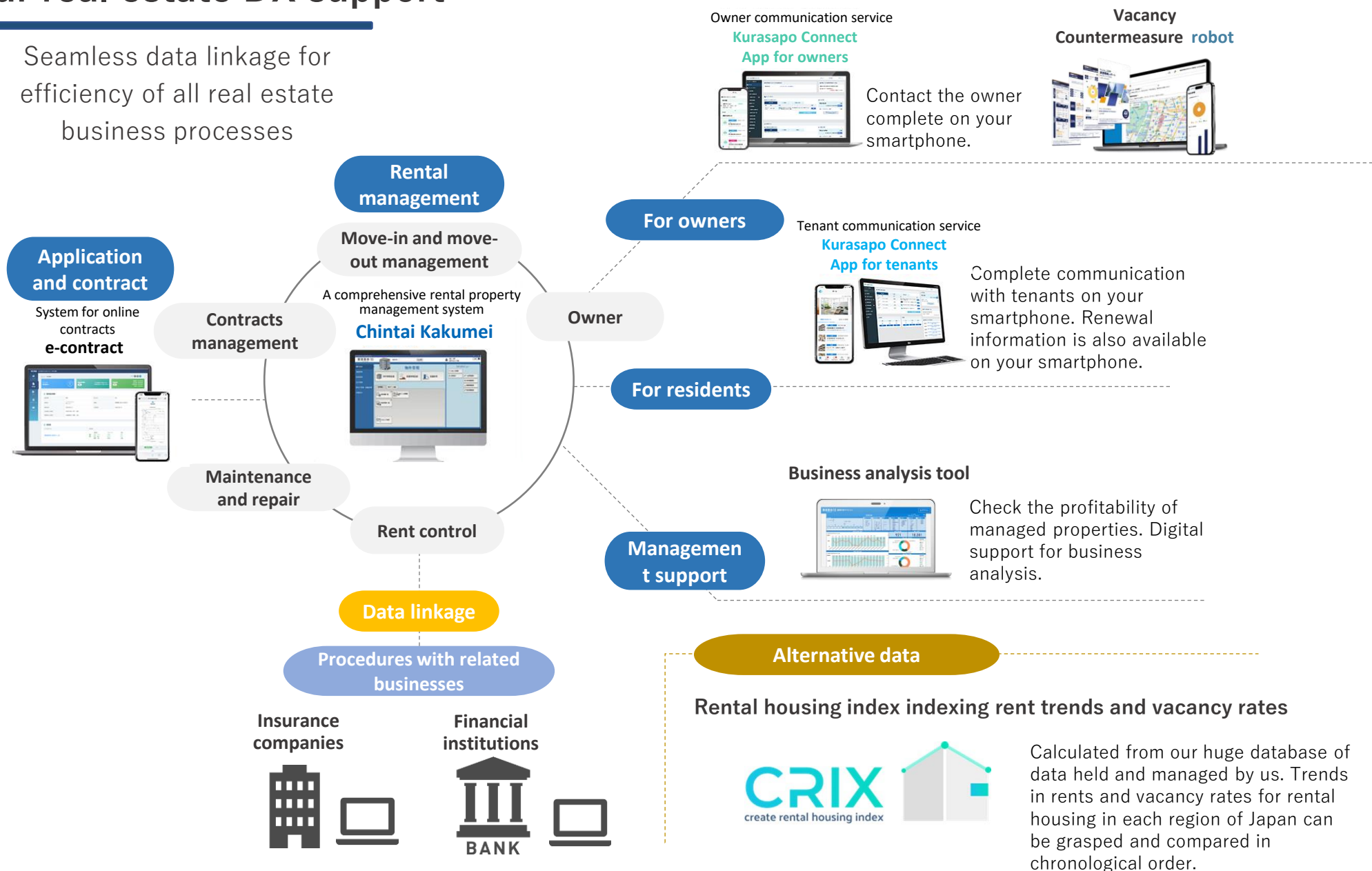
Our real estate DX support

Seamless data linkage for efficiency of all real estate business processes

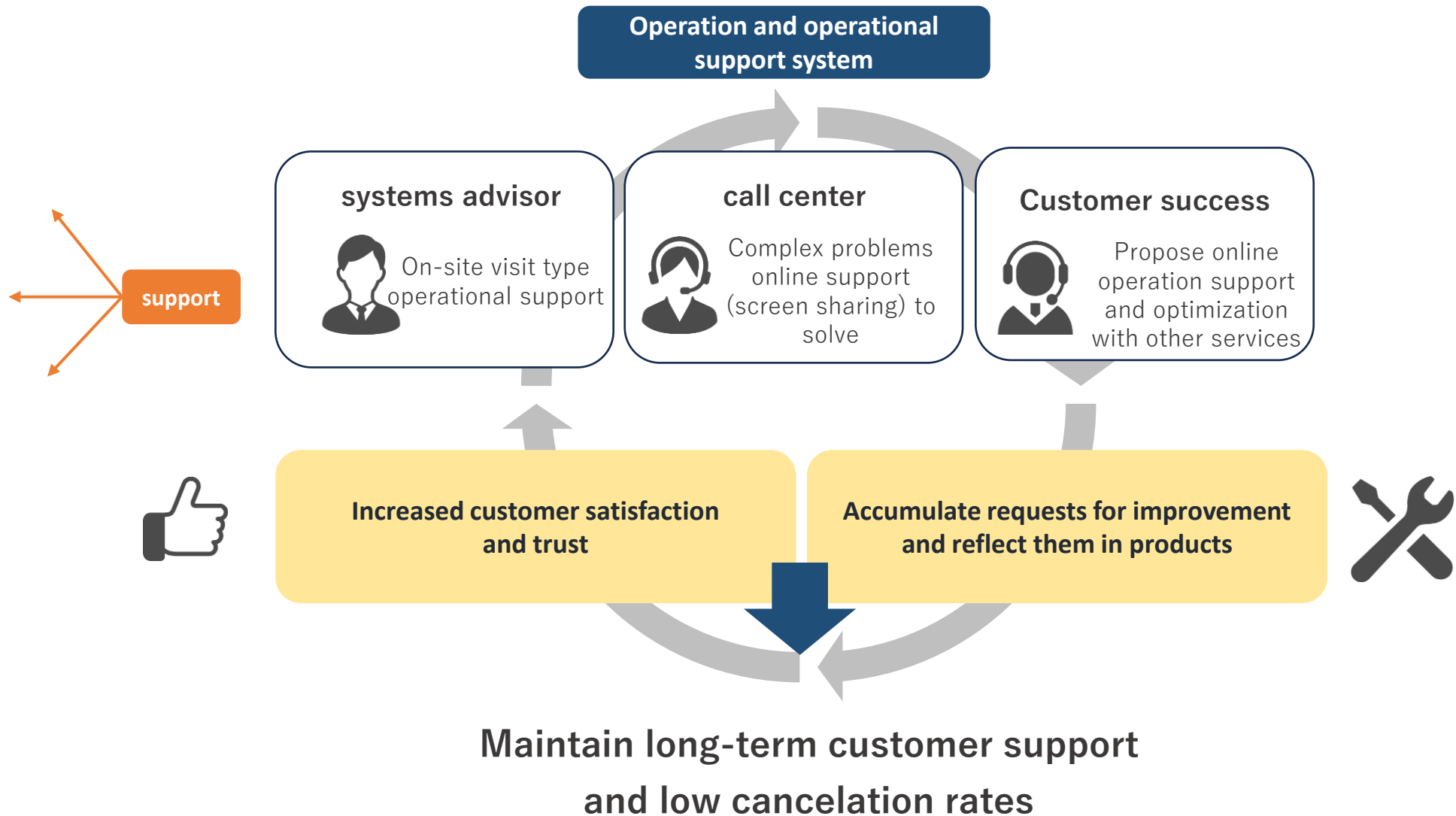


Our real estate DX support

Seamless data linkage for efficiency of all real estate business processes



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



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