

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



Japan PropTech Co.,Ltd

February 14, 2024

- 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

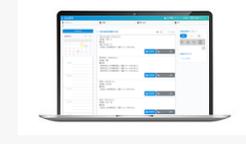
For real estate brokerage companies

For property management

Brokerage solutions

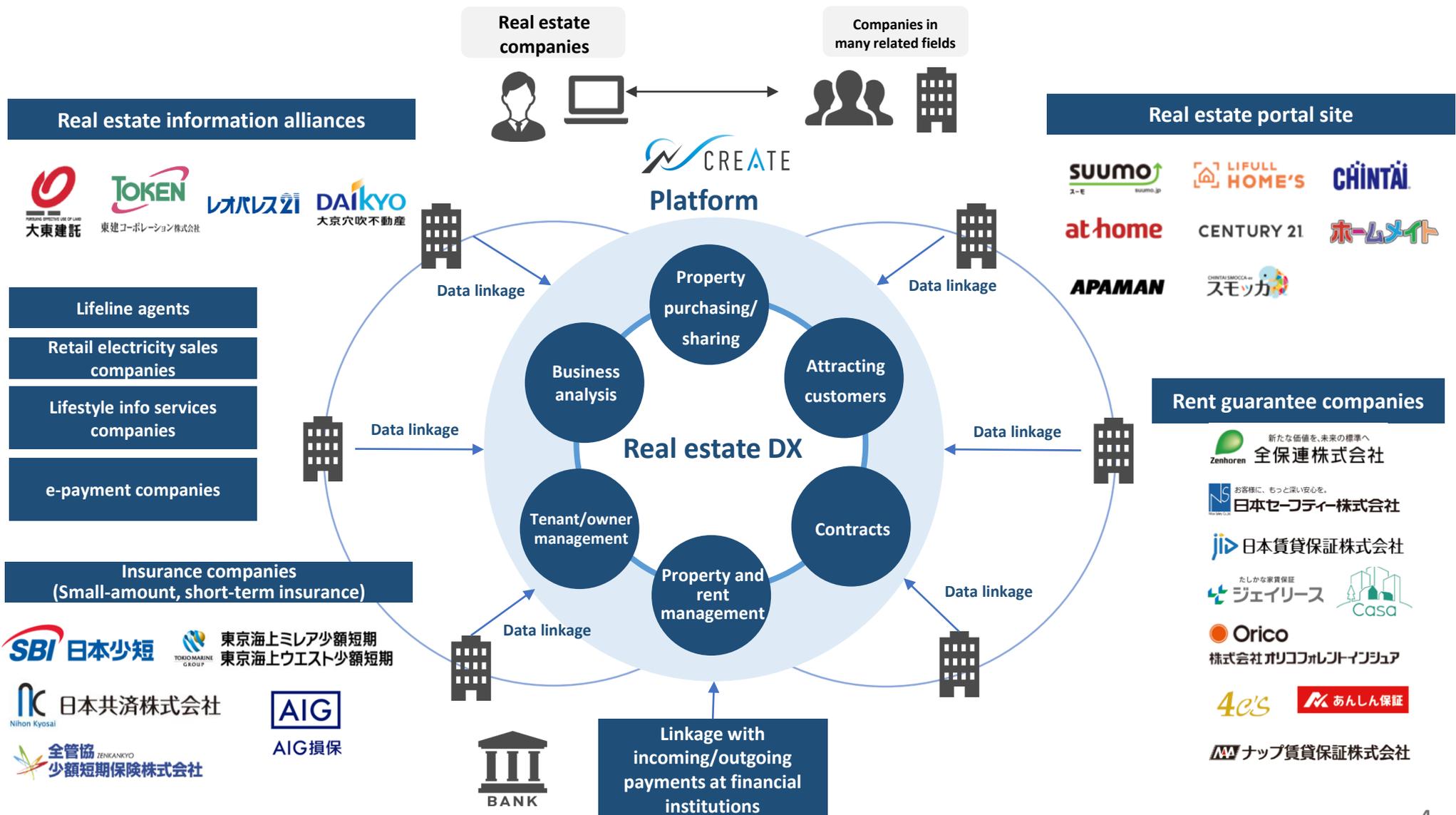
Property management solutions

## 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><b>Data sharing for real estate companies</b></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><b>Sales/follow-up support</b></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><b>Contract support services</b></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><b>Rental management support</b></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>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><b>Support for business analysis</b></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><b>Create Rental Housing Index</b></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.



# 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)

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## 2Q FY6/24 Financial Highlights



# 2Q sales hit a new record high. Operating income exceeded the first half plan .

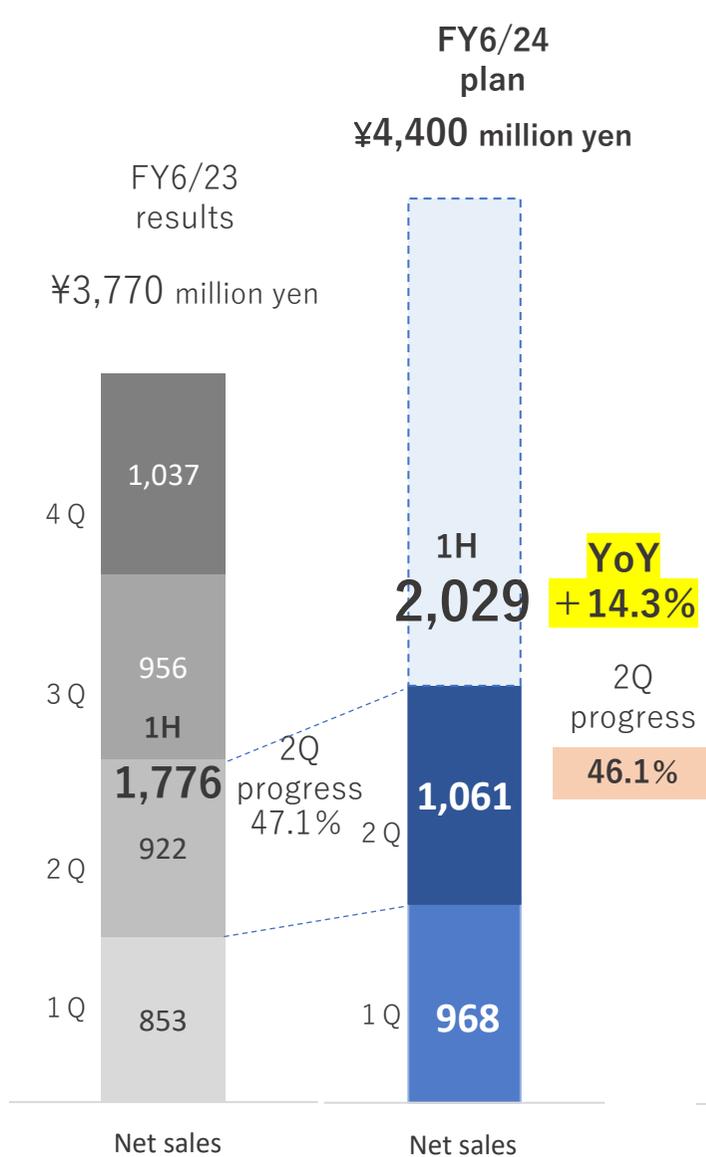
Net sales : YoY **+14.3%**

Operating profit : YoY **+104.6%**

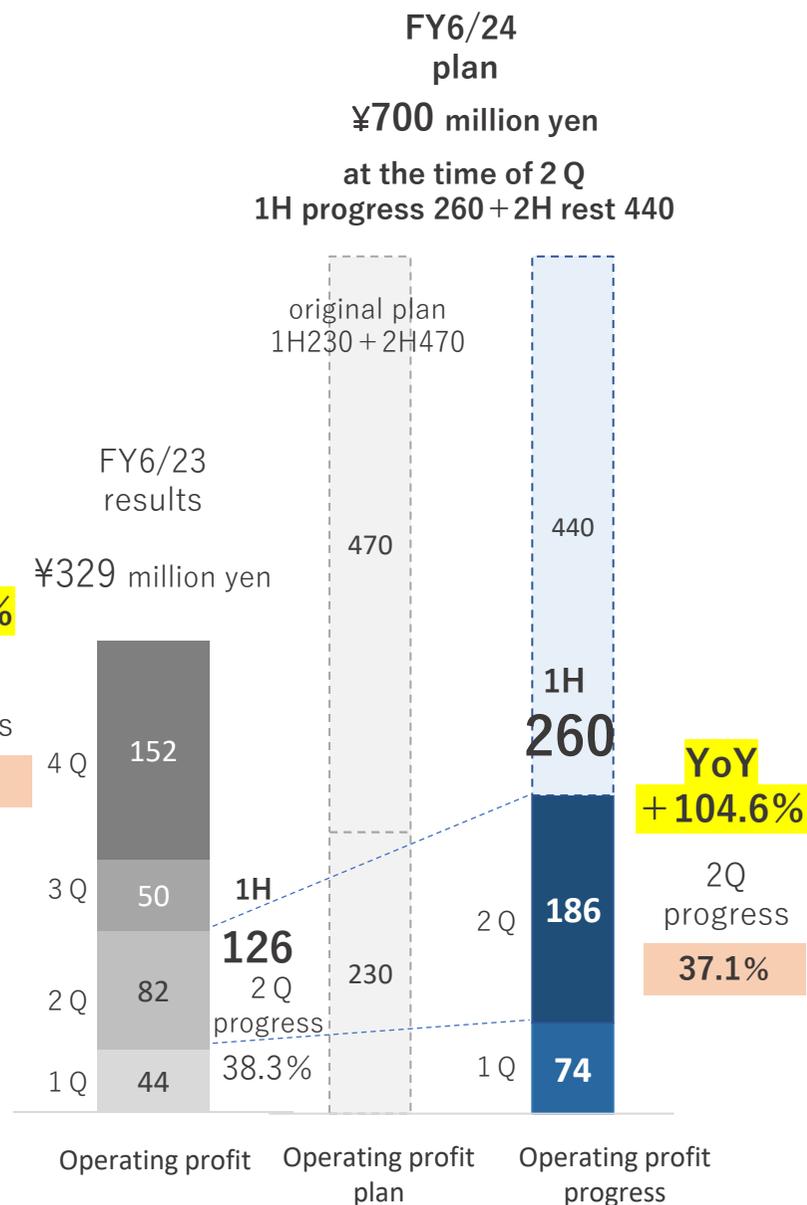
■ Current plan is to increase sales by more than 16.7% and double operating profit. The sales progress rate for the 1H was approximately 46.1%, the same level as the previous year's results.

■ Operating income came in at ¥260 million, exceeding the 1H plan of ¥230 million, despite the performance plan placing emphasis on the 2H.

## < Net sales >



## < Operating profit >



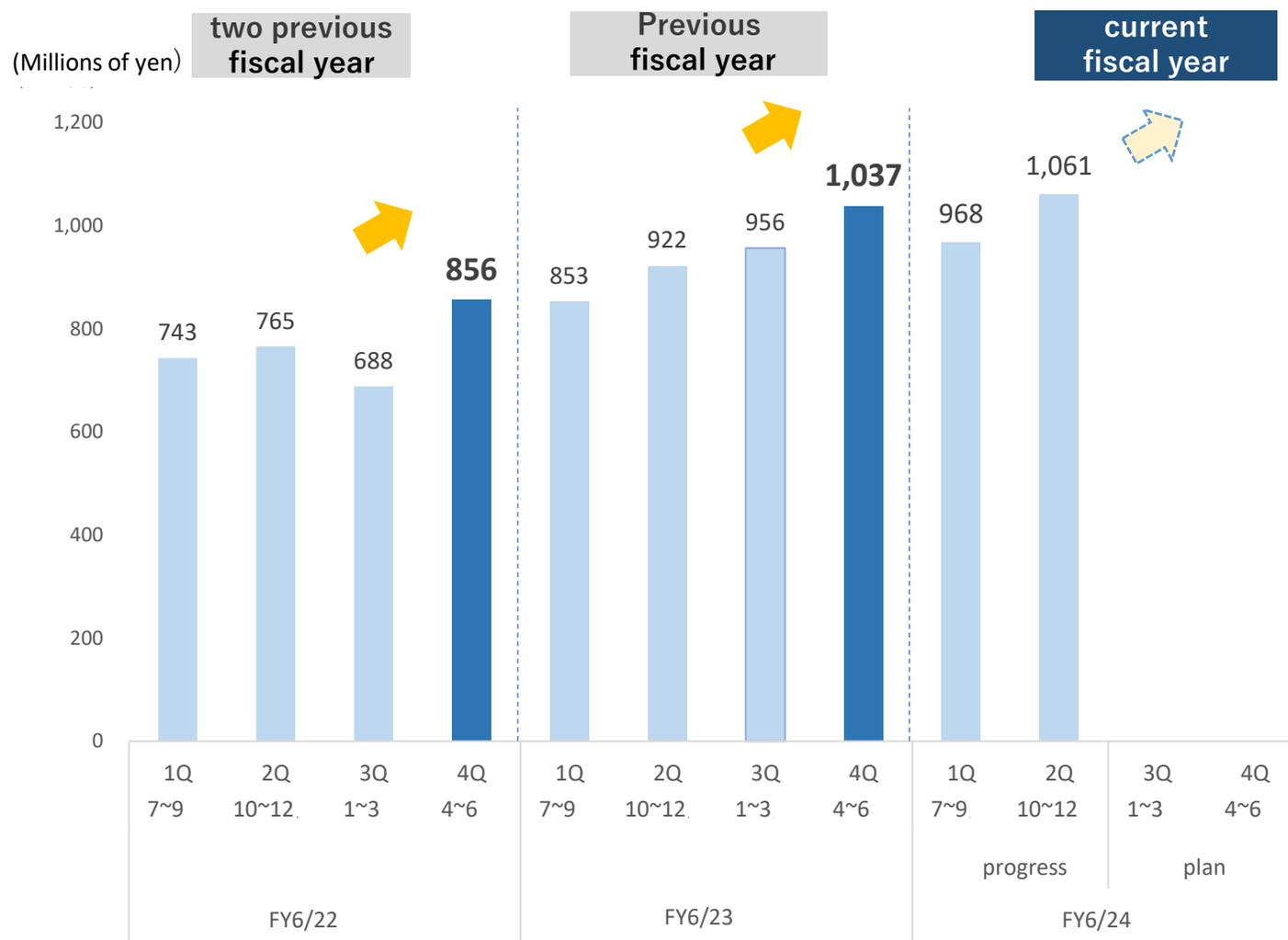
# Future performance forecast

In normal years, second-half sales tend to increase in the fourth quarter due to seasonal factors. expecting a similar trend in the current fiscal year.

## About seasonal factors

In the fourth quarter of our company, the busy season for real estate businesses (January to March) is over, and delivery work, which is the time when sales are recorded, is progressing smoothly. Additionally, as this is the time when customer needs become apparent, and proposals to improve operational efficiency and increase profits are progressing smoothly, quarterly sales tend to be the highest in the fourth quarter of every year.

■ Past trends in Net sales (Quarterly sales for the past two terms)



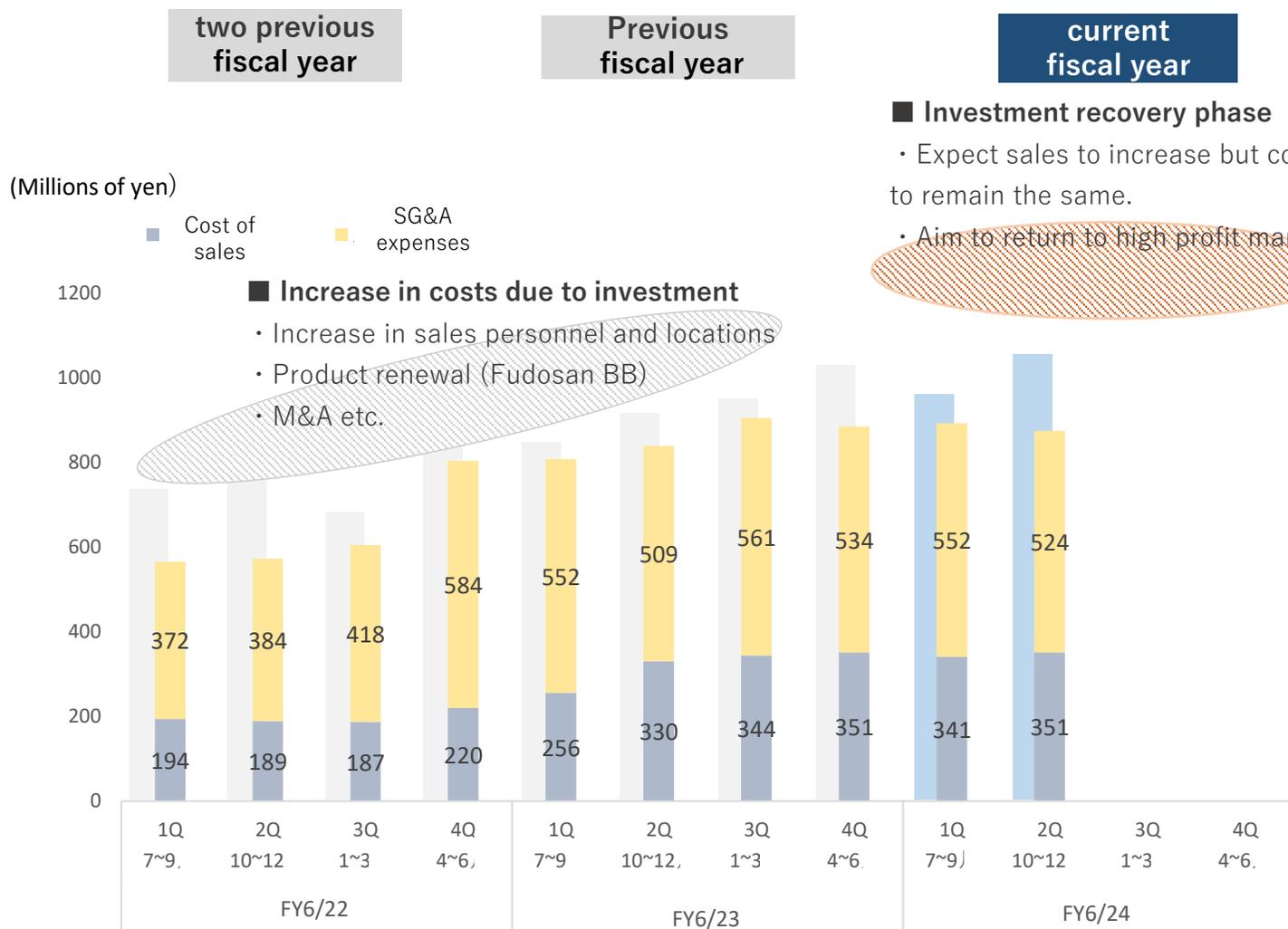
# Future performance forecast

Cost of sales and SG&A expenses are expected to remain unchanged. Aiming to steadily achieve operating income by turning the increased sales into profits.

## ■ This period is the investment recovery phase

Over the past two fiscal years, expenses have been on the rise due to multiple factors, including an increase in sales personnel and sales offices due to investments in the three-year plan, product renewal, and M&A. In the current fiscal year, sales are expected to increase while costs remain unchanged. Aim to return to high profit margins.

## ■ Trends in cost of sales and SG&A expenses (by quarter for the past two years)



## 2 Q Financial Highlights

Record high sales for the second quarter. Operating income also increased by 2.0 times YoY. Both sales and operating income are progressing steadily towards achieving the plan.

### 2Q FY6/24 Financial Highlights

(Millions of yen)	2Q FY6/23	2Q FY6/24	YoY change	Explanation
<b>Net sales</b>	1,776	<b>2,029</b>	+ 14.3%	On track to achieve our plan, Second quarter <b>sales are the highest ever.</b>
Brokerage solutions	738	<b>789</b>	+ 6.9%	Non-consolidated growth + increase in sales of subsidiary Real Net Pro, Inc.
Property management solutions	1,018	<b>1,218</b>	+ 19.6%	New customers and up-selling to existing customers increased in Chintai Kakumei. Stock sales also increased.
<b>Gross profit</b>	1,189	<b>1,336</b>	+ 12.3%	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	66.9%	<b>65.8%</b>	▲1.1pt	As of 1Q, it was 64.7%, with a <b>recovery trend in 2Q.</b>
<b>Operating profit</b>	127	<b>260</b>	+ 104.6%	<b>Doubled YOY</b> due to increased sales and flat SG&A expenses/.
Operating margin	7.2%	<b>12.9%</b>	+ 5.7t	
<b>EBITDA</b>	279	<b>439</b>	+57.3%	
EBITDA margin	15.7%	<b>21.6%</b>	+ 5.9%	
<b>Ordinary profit</b>	176	<b>262</b>	+ 49.0%	
<b>Profit</b>	107	<b>165</b>	+ 54.2%	

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

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

## performance\_ Quarterly Trends

Quarterly sales reached record high. Operating income also trended upward into the 2Q.

Sales will increase due to the growth of the parent company and its subsidiary Real Net Pro, and profits will increase due to the completion of upfront investments in human resources and base development.

### ■ 2 Q FY6/24 Financial Highlights | Quarterly

(Millions of yen)	FY6/23 results				FY 6/24 results	
	1Q	2Q	3Q	4Q	1Q	2 Q
<b>Net sales</b>	853	<b>922</b>	956	1,037	968	<b>1,061</b>
Brokerage solutions	359	379	388	379	385	<b>404</b>
Property management solutions	485	533	559	646	572	<b>646</b>
<b>Operating profit</b>	44	82	50	151	74	<b>186</b>
Operating margin	5.2%	<b>8.9%</b>	5.3%	14.6%	7.7%	<b>17.5%</b>
<b>Ordinary profit</b>	95	80	49	150	73	<b>189</b>
<b>Profit attributable to owners of parent</b>	57	50	26	51	42	<b>123</b>

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

Churn rate remains low and stable, and **sales continue to build up steadily in the 2Q.**

## Initial sales

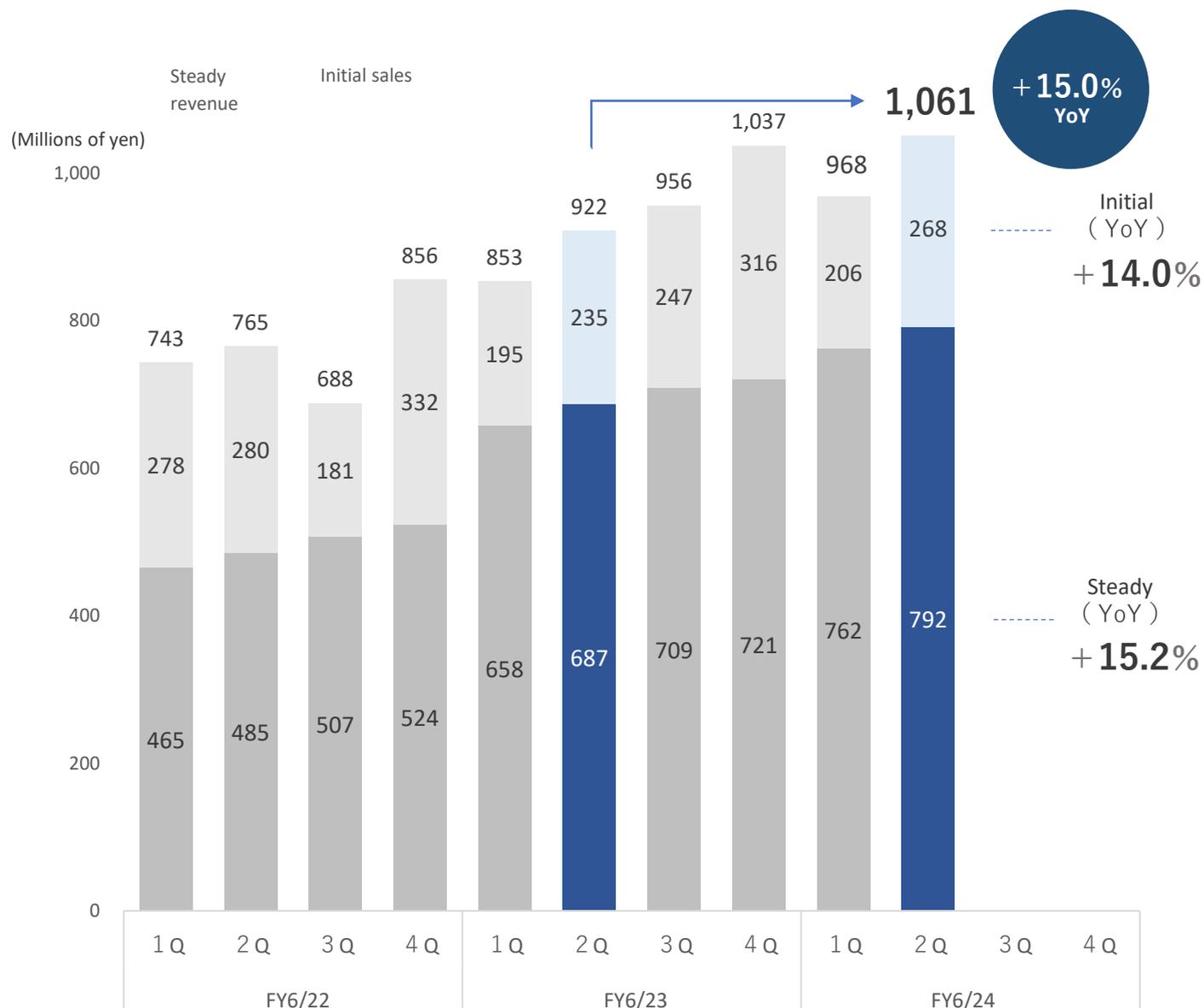
Increase in sales mainly due to rental revolution.

**YoY + 14.0%。**

※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

## 2 Q FY6/24 Financial Highlights Steady Revenue and Initial Sales

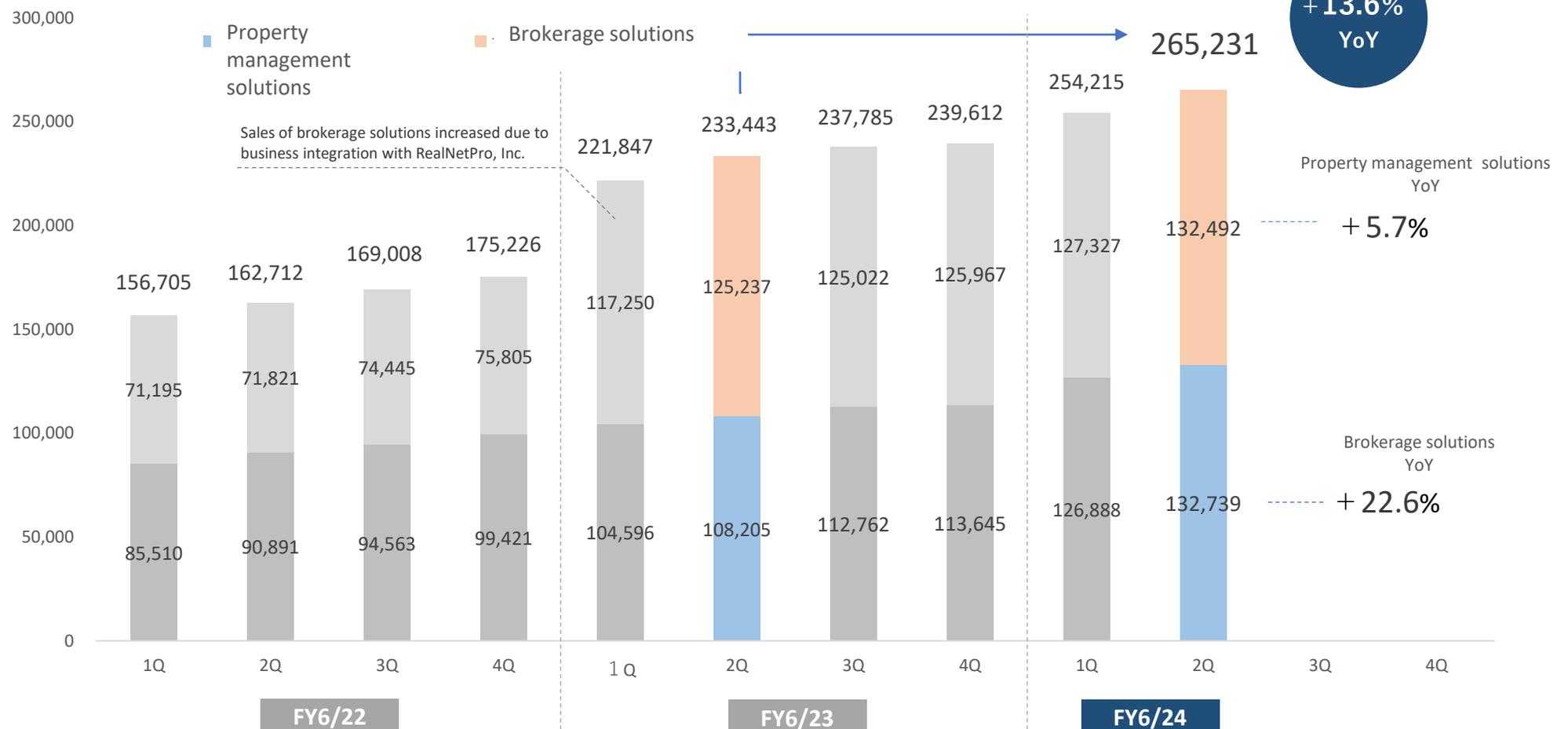


# Growth of Monthly Recurring Revenue

Both Brokerage Solutions and Property Management Solutions increased in YoY. Property Management Solutions: +22.6% 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

2 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

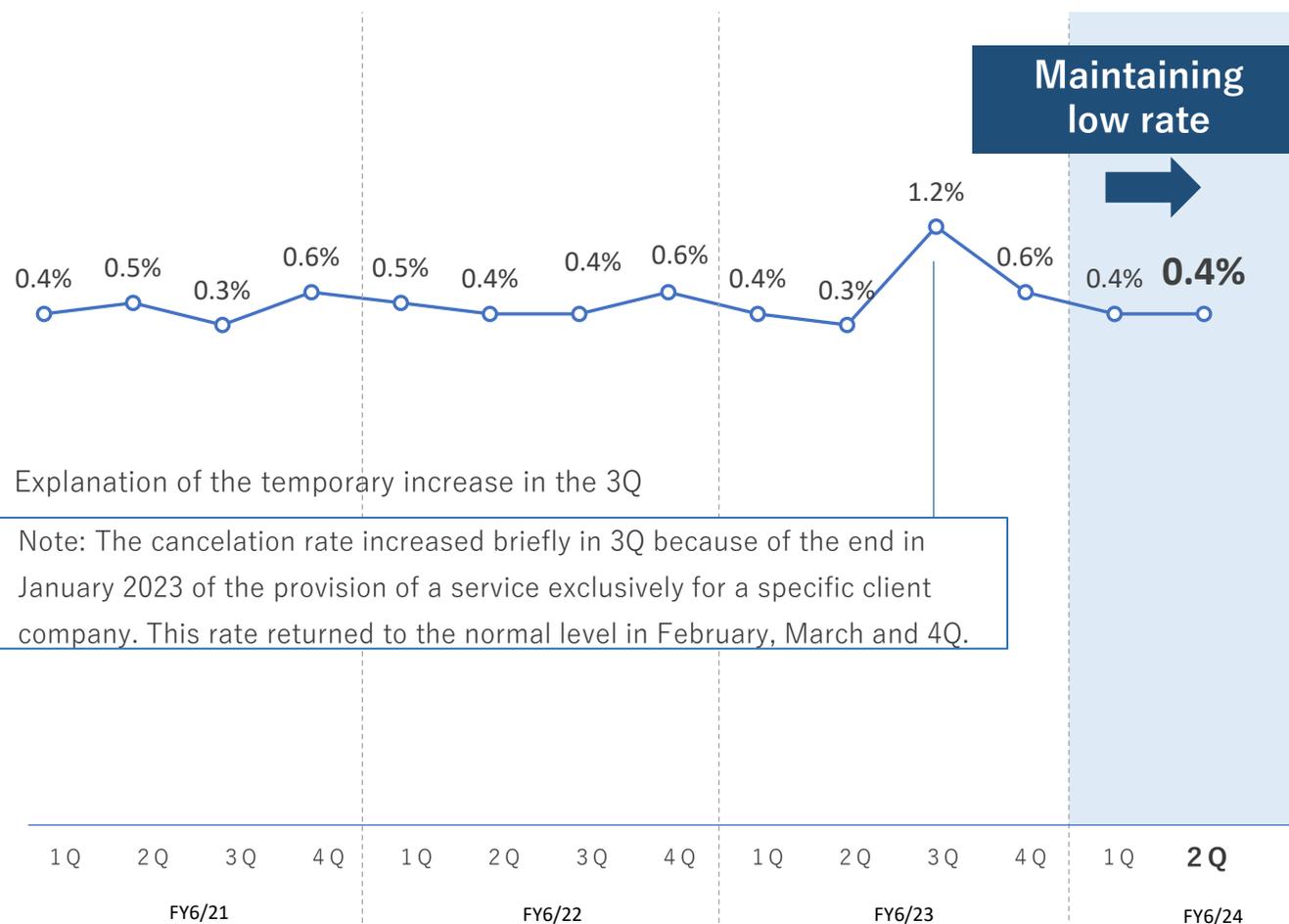


Call center



## 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.

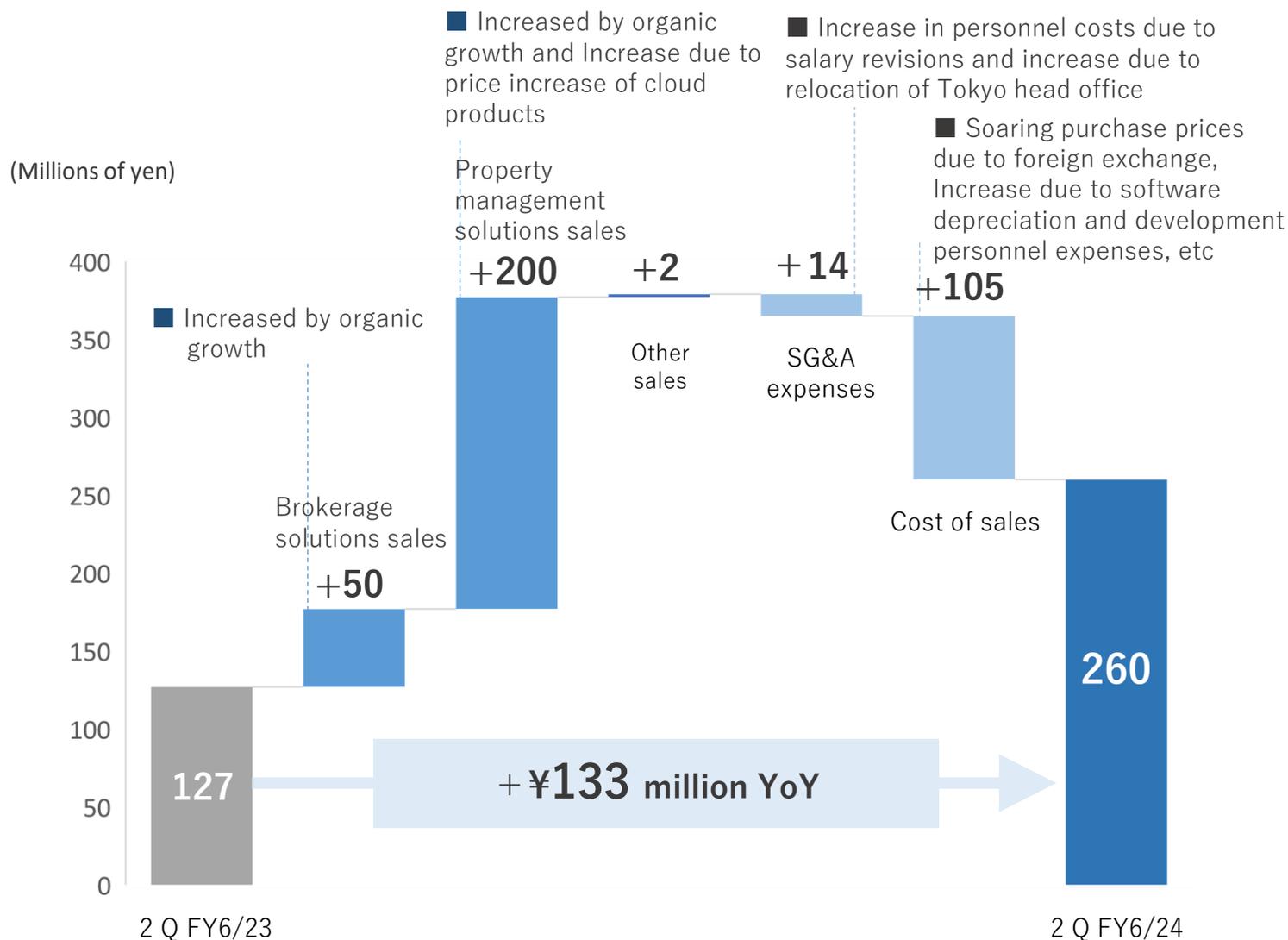


# Components of Change in Operating Profit

Operating profit ¥260 million  
YoY +104.6 %

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)

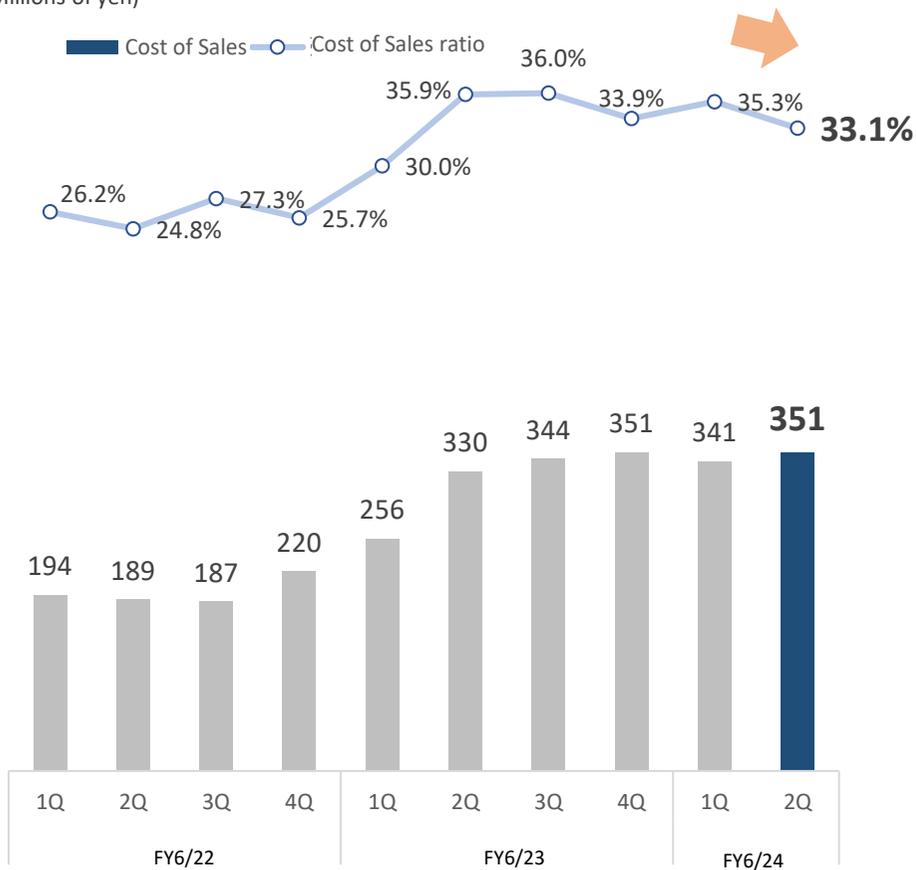


# Changes in SG&A Expenses/Cost of Sales

## Cost of sales

In 2Q, sales increased and expenses remained at the same level, resulting in a decline in the cost of sales ratio QoQ. Continue to control costs and aim to reduce the cost rate.

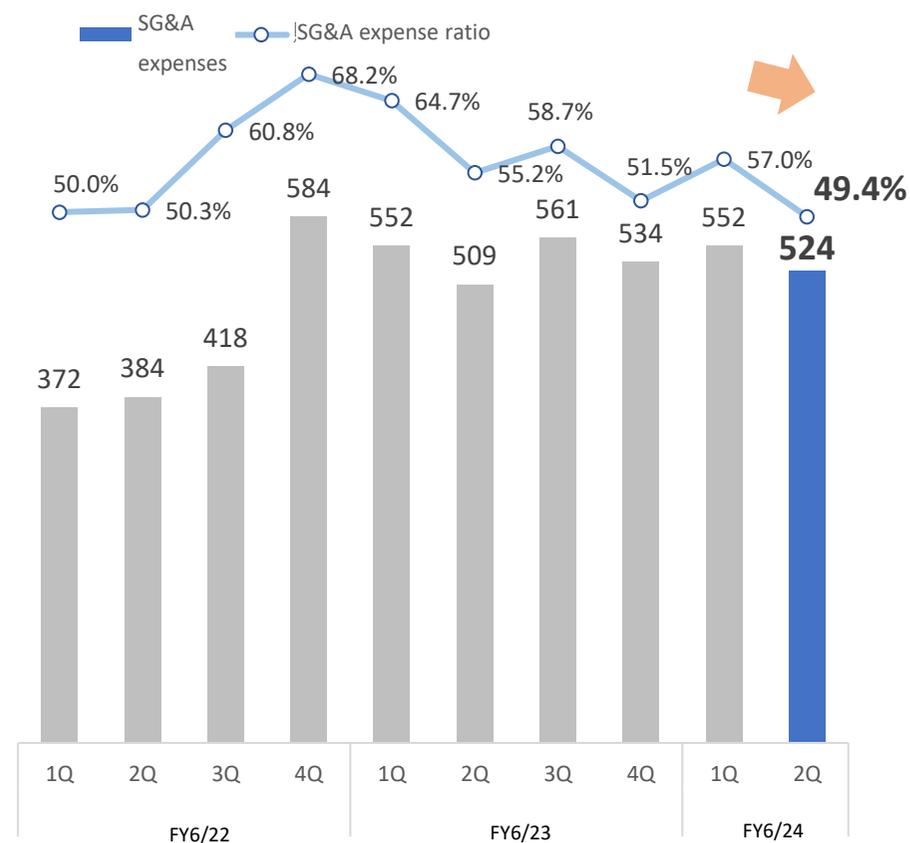
(Millions of yen)



## SG&A expenses

Both SG&A expenses and SG&A expense ratio decreased. Continue to reduce SG&A expenses by increasing sales and flattening costs.

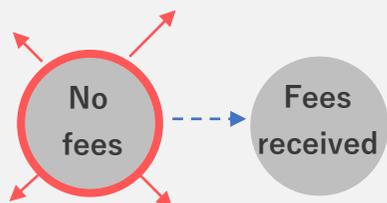
(Millions of yen)



# Free service use Customer Transition (Customer Base)

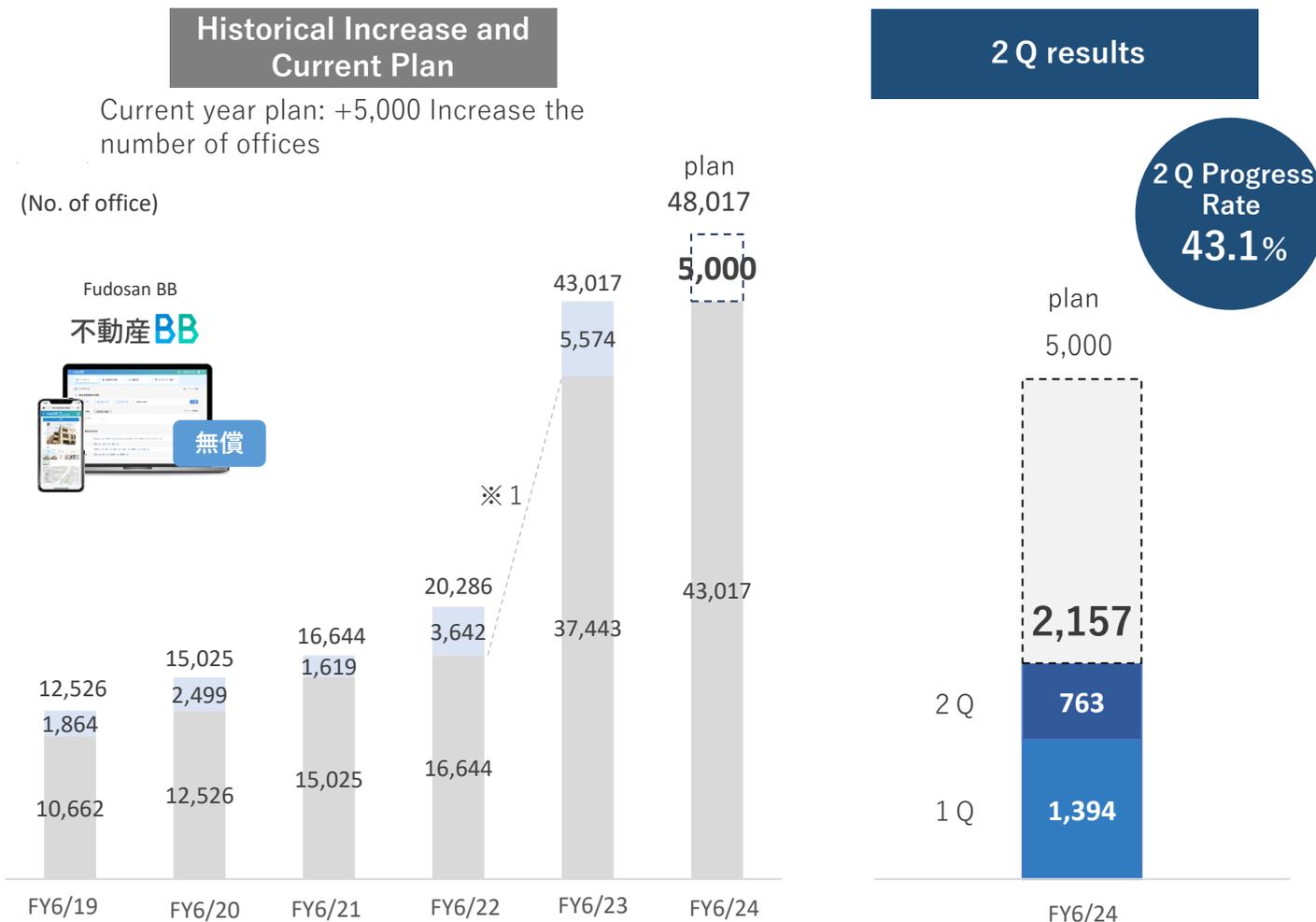
43.1% progress against  
annual plan

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.

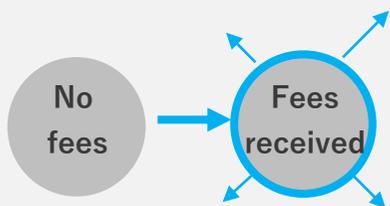
## Number of clients of the B-to-B property listing service (No fees)



# Increase of Customers for Services with Monthly Fees

## Upselling and cross-selling of paid services

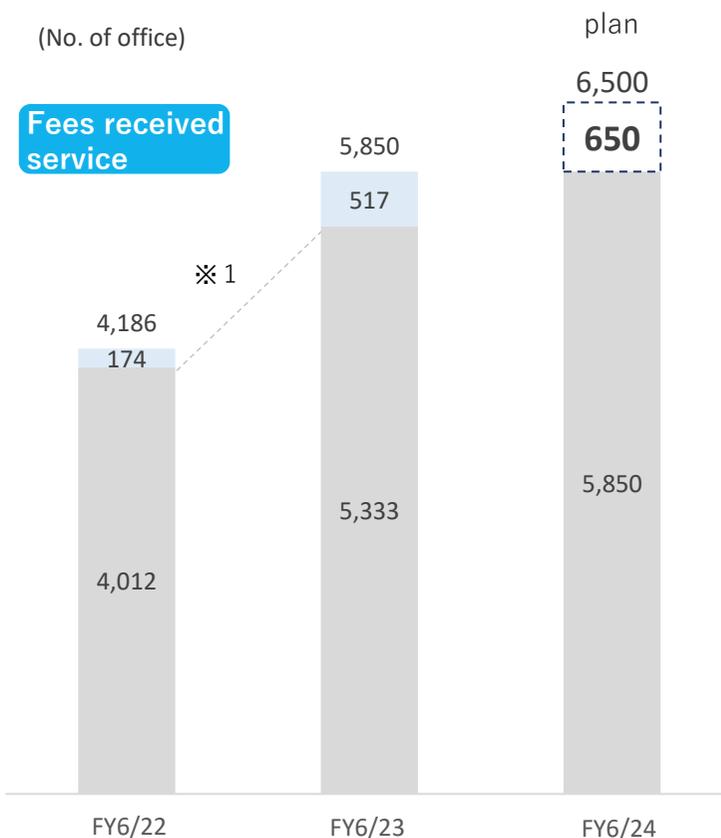
33.0% progress against plan; further increase in customer acquisition by strengthening marketing initiatives.



## Number of customers using monthly fee-based services

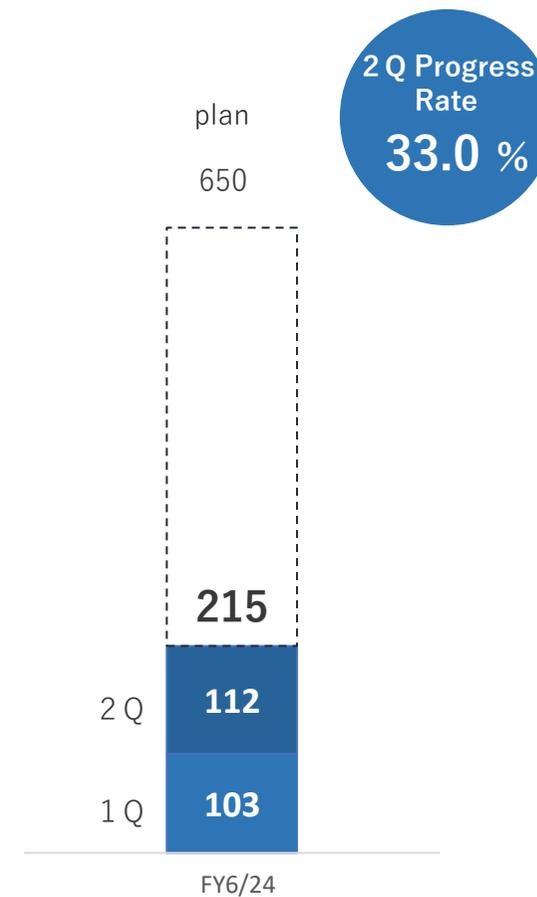
### Historical Increase and Current Plan

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.

### 2 Q results



2 Q Progress Rate  
**33.0 %**

# 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.

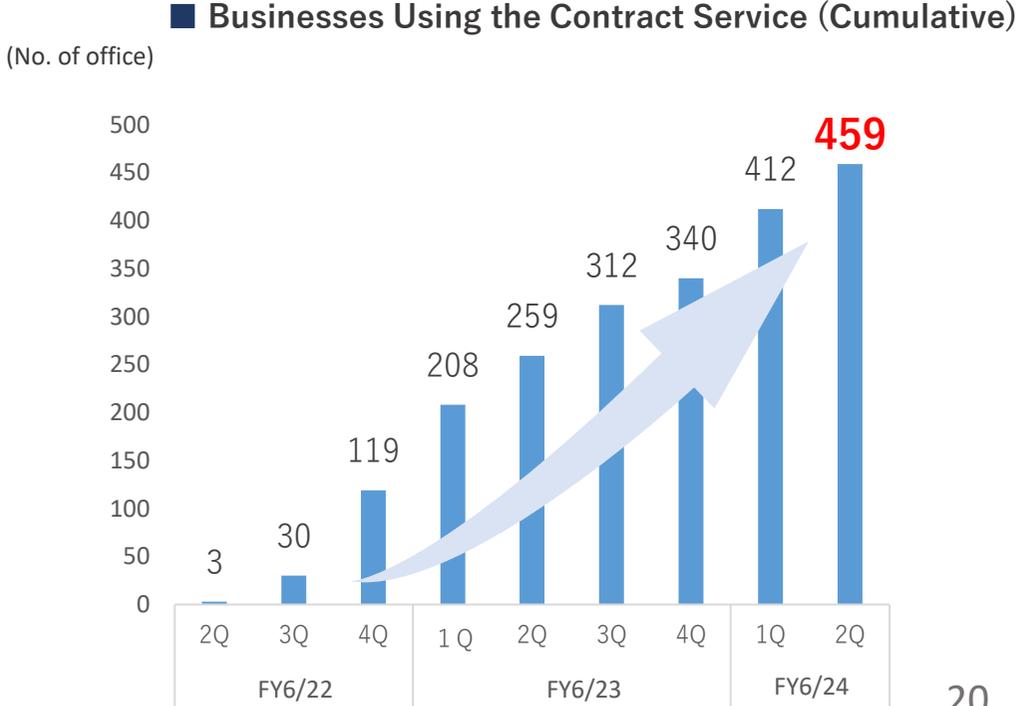
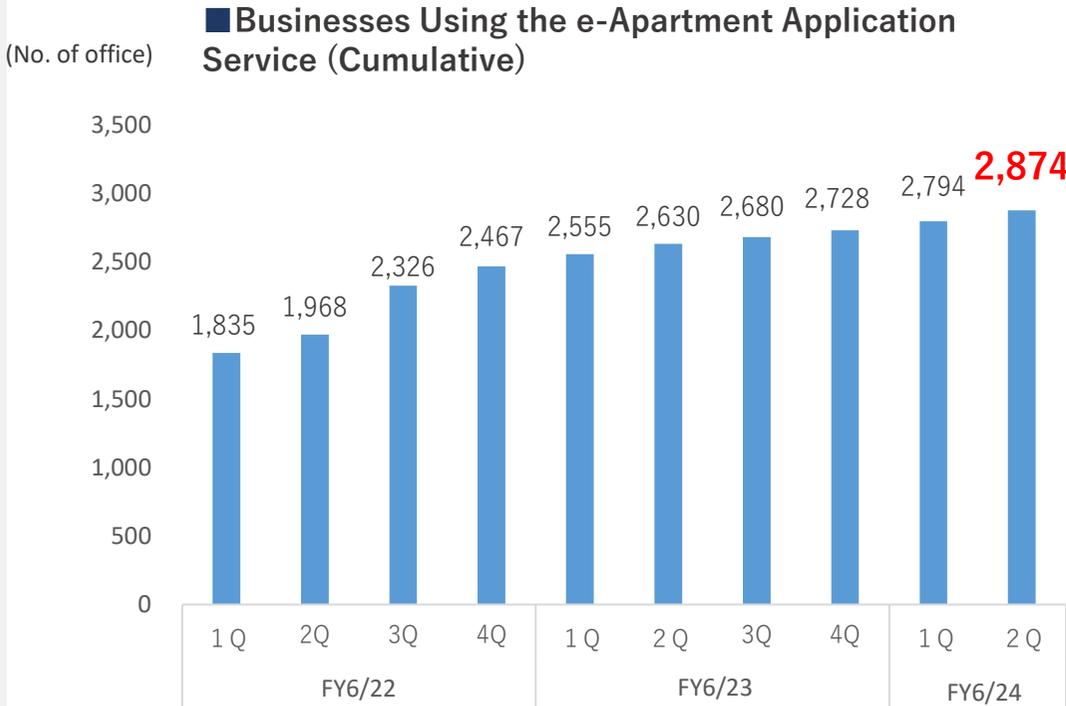
System for online contracts  
**e-contract**



**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.



# Release record of AI and Big Data utilization services

■ 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.



Released in December 2023

■ Plans to enhance services using **ChatGPT** and **automatic generation of property PR text** goes on sale.

Chintai Kakumei 10 Business Analysis Option



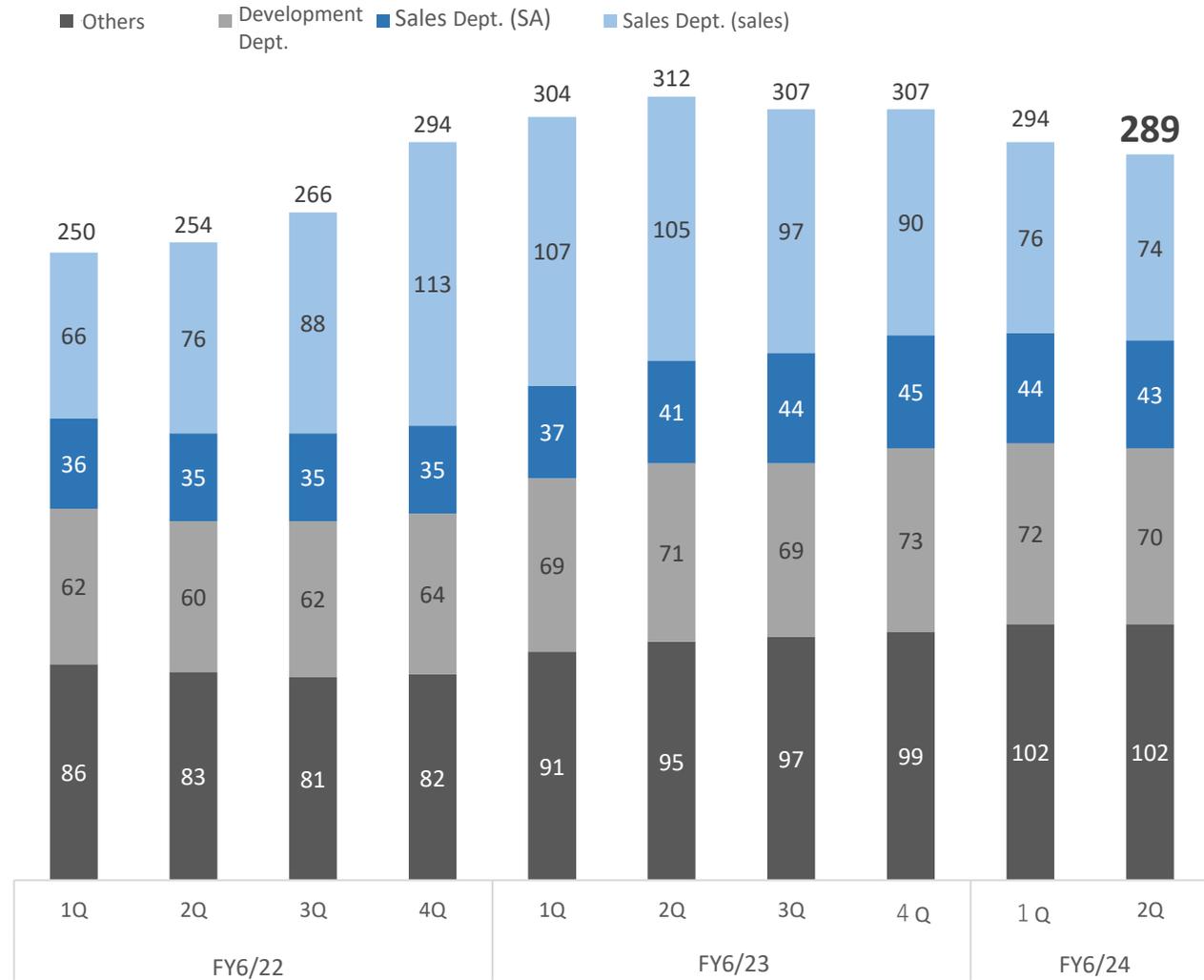
Normally, the person in charge of creating PR text needs to understand the characteristics of the property and create several lines of text by himself/herself. By using Leasing Revolution's "Automatic Comment Insertion" service, which utilizes "ChatGPT," appropriate PR text can be generated in just a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

# 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

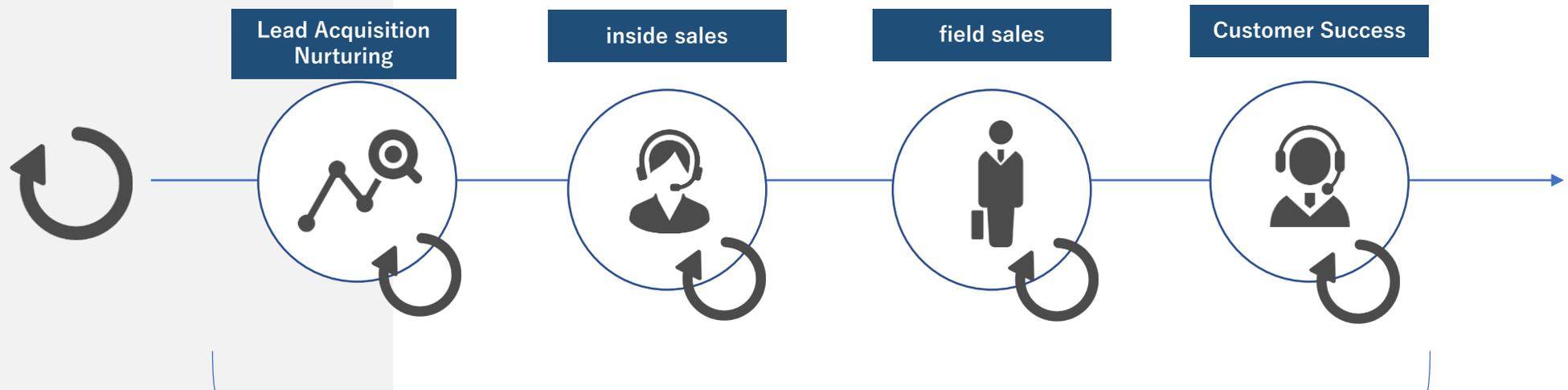




## Sales Force Automation to Improve Sales Personnel Productivity Enhancement and Fast PDCA

- 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.





## **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)

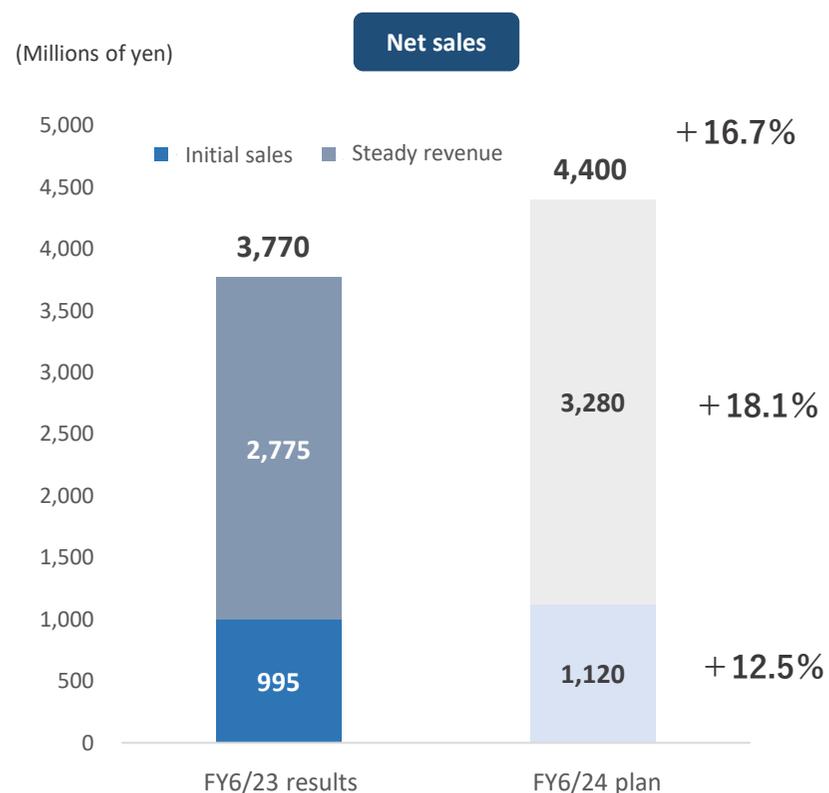
(Millions of yen)	FY6/22 results	FY6/23 results	FY6/24 plan	YoY
<b>Net sales</b>	3,053	3,770	<b>4,400</b>	<b>+16.7%</b>
<b>Gross profit</b>	2,261	2,486	<b>2,900</b>	+16.6%
<b>Gross profit margin</b>	74.0%	66.0%	<b>65.9%</b>	△0.1 pt
<b>Operating profit</b>	500	329	<b>700</b>	<b>+112.3%</b>
<b>Operating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

# 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.



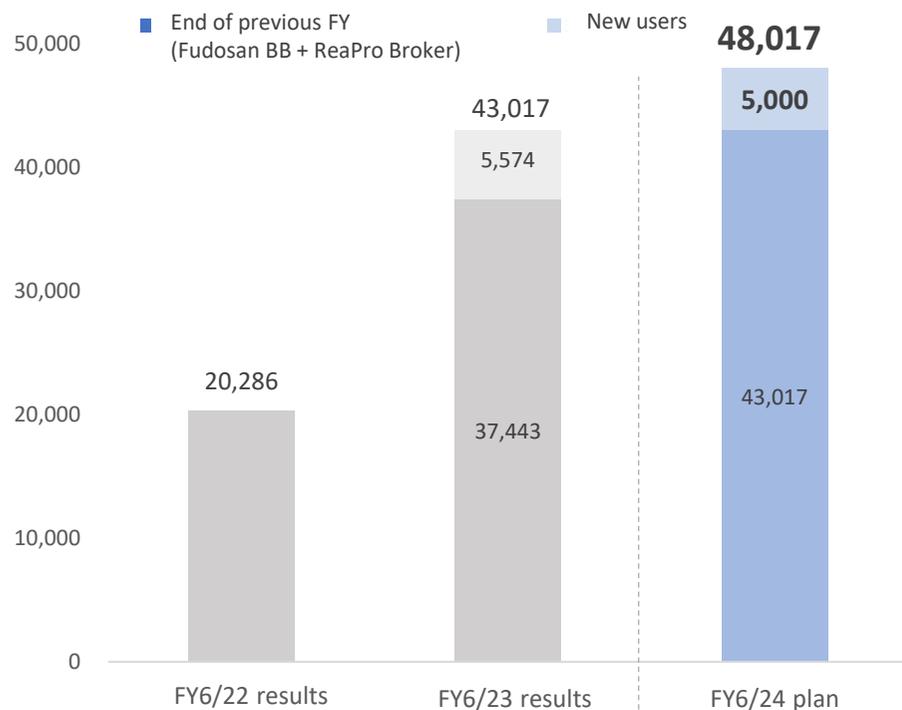
# Final Year of Three-year Plan Key Performance Indicators (FY6/22 to FY6/24)

## ■ 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)



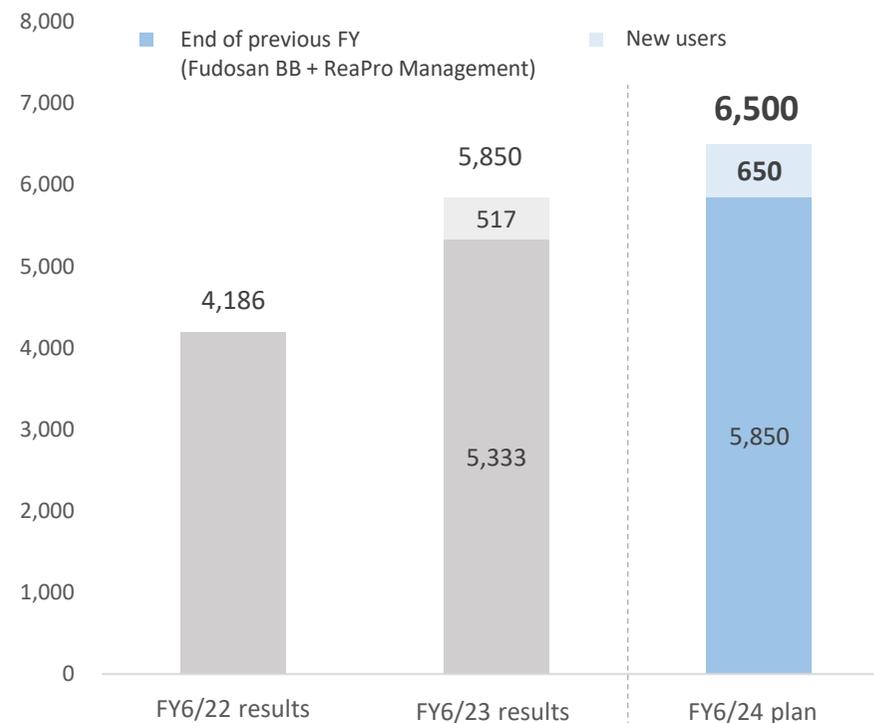
\*The 17,157 companies (excluding ones that also use Fudosan BB) of ReaPro Broker (free), which was acquired by JPT, were added to the number of free service users at the beginning of FY6/23.

## ■ 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

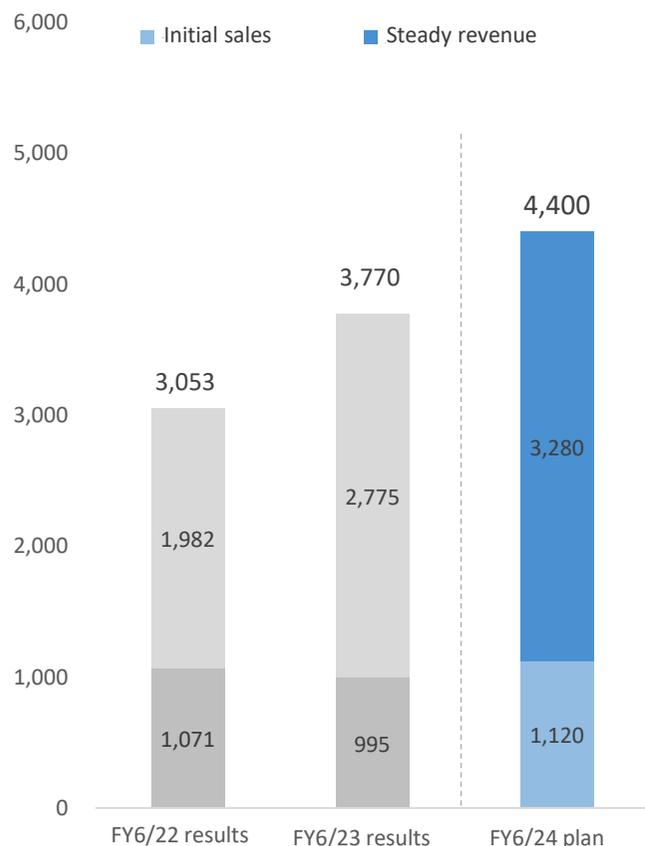
FY6/23 : Not in line with the revised plan; +36.7% YoY.  
 FY6/24 : Property management solutions against the previous plan Expect increase in MRR due to partial increase in monthly fees.

## ■ Employees (plan for salespeople)

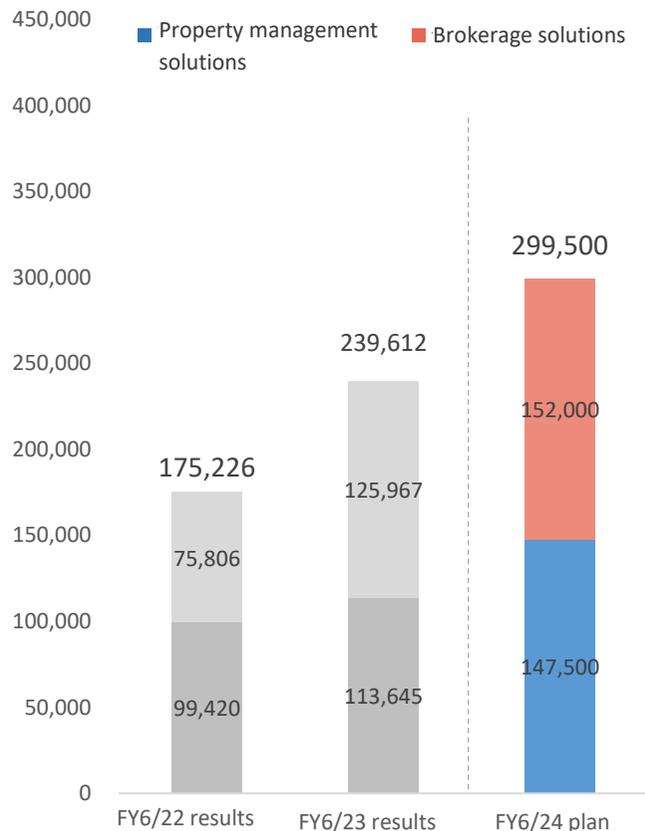
\*Number of full-time employees

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.

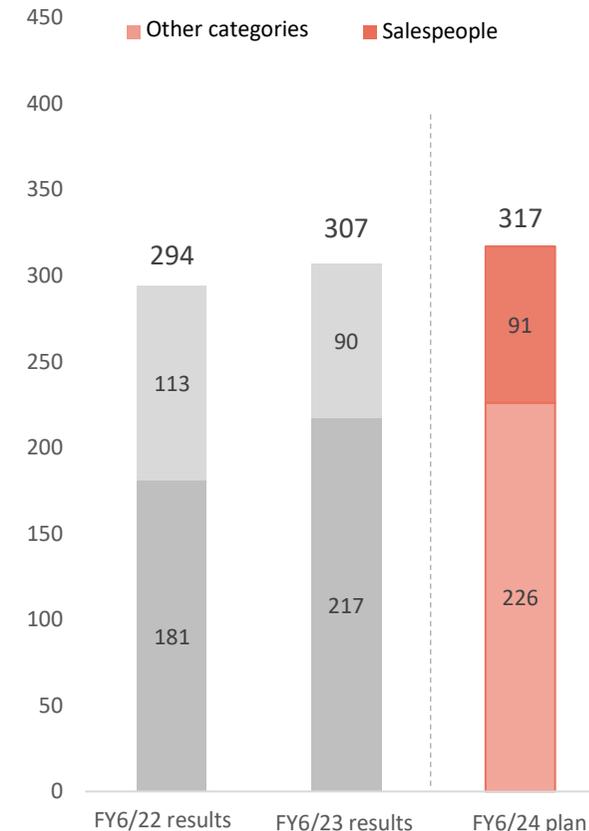
(Millions of yen)



(Thousands of yen)

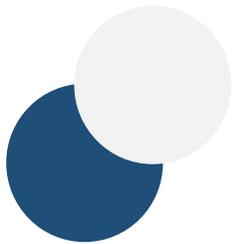


(Person)



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

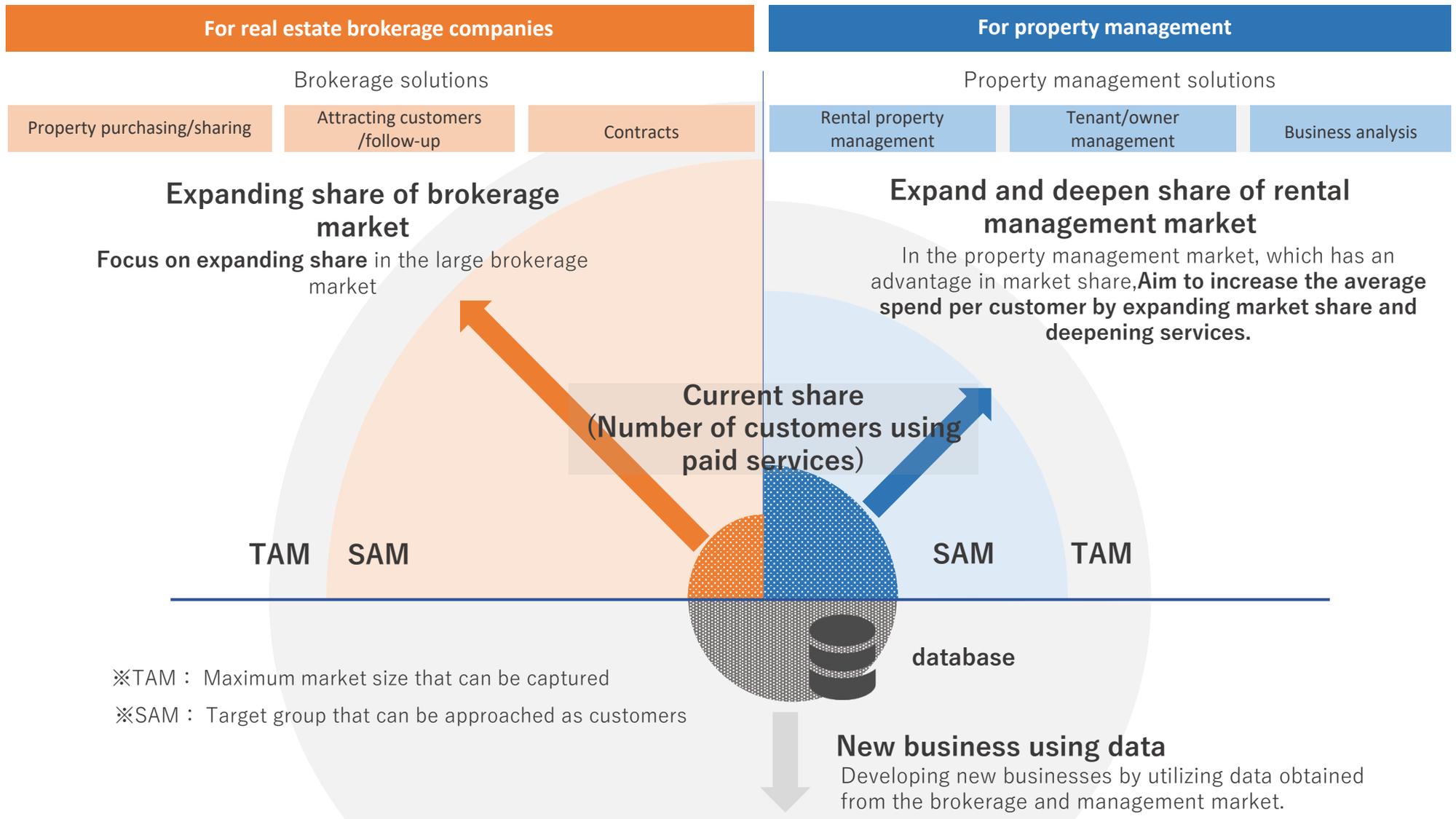
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## Vision for the JPT Group's Growth



# Growth themes by market



- ※TAM : Maximum market size that can be captured
- ※SAM : Target group that can be approached as customers

# Expanding an Integrated Product Lineup

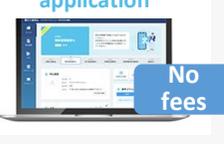
For real estate brokerage companies

For property management

Brokerage solutions

Property management solutions

## All-inclusive workflow solutions for the real estate industry

Property purchasing/sharing	Attracting customers /follow-up	Contracts	Rental property management	Tenant/owner management	Business analysis
<p><b>Data sharing for real estate companies</b></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><b>Sales/follow-up support</b></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><b>Contract support services</b></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><b>Rental management support</b></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) <b>No.1 *1</b></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><b>Support for communications</b></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><b>Support for business analysis</b></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><b>Create Rental Housing Index</b></p> <p>Data provision service using an index for residential rental property rent and vacancies</p> <p>CRIX create rental housing index</p> 	

**Accelerate through service integration**

## FudosanBB + ReaPro

Inter-company property distribution service

※under development

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.



**No fees** One of the largest in Japan to service **Fees received**



For real estate brokerage companies

Brokerage solutions

Property purchasing/sharing

Attracting customers /follow-up

Contracts

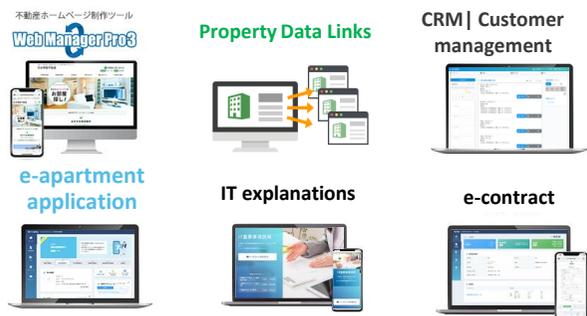
### Expanding share of brokerage market

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 43,000 companies

※As of the end of June 2023



TAM SAM

## Deepening existing businesses

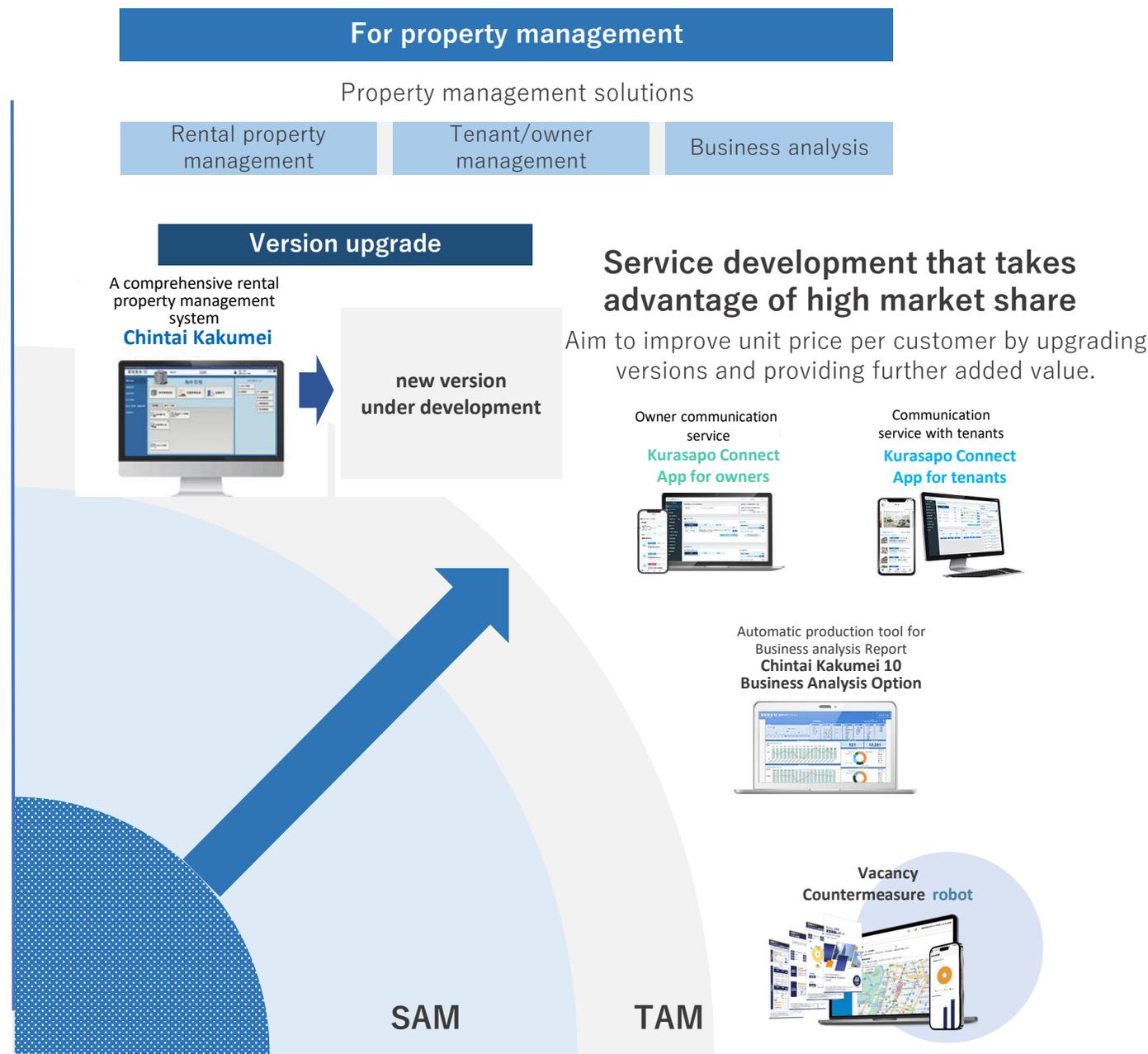
In the management market where we have a strong advantage, aim to increase the average spend per customer by providing new value.

### ■ 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.



## New business using data

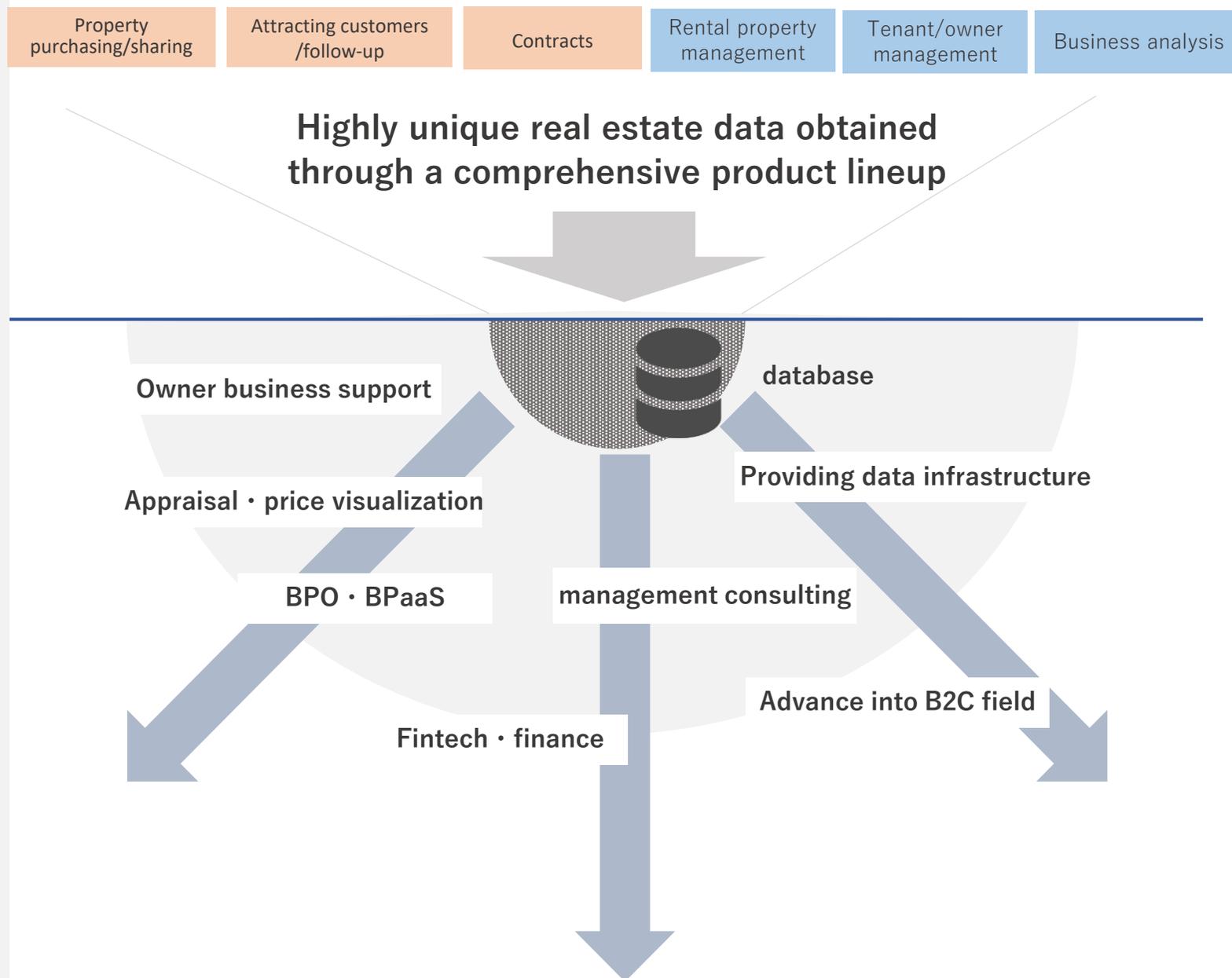
# Continue to invest in new businesses that utilize highly unique real estate-related data

### ■ 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



## 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 &amp; Supervisory Committee member</p> <p>Miura Hiroshi, External Director, Audit &amp; Supervisory Committee member</p> <p>Yamamoto Osamu, External Director, Audit &amp; 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

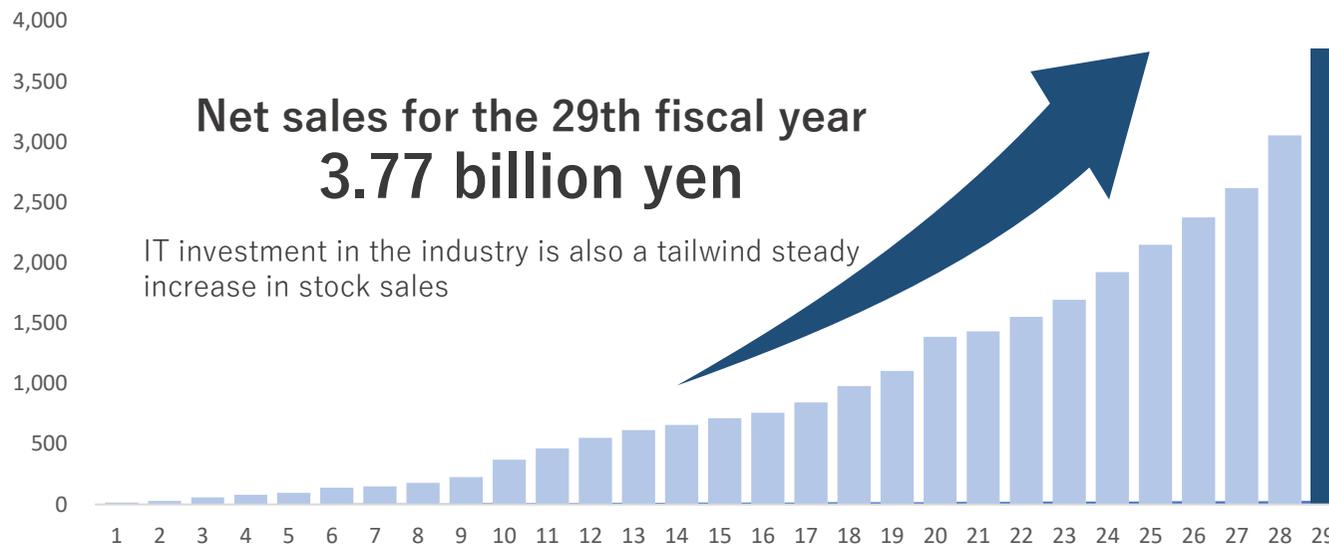
## FY6/2023 results

# cancellation rate 0.6%

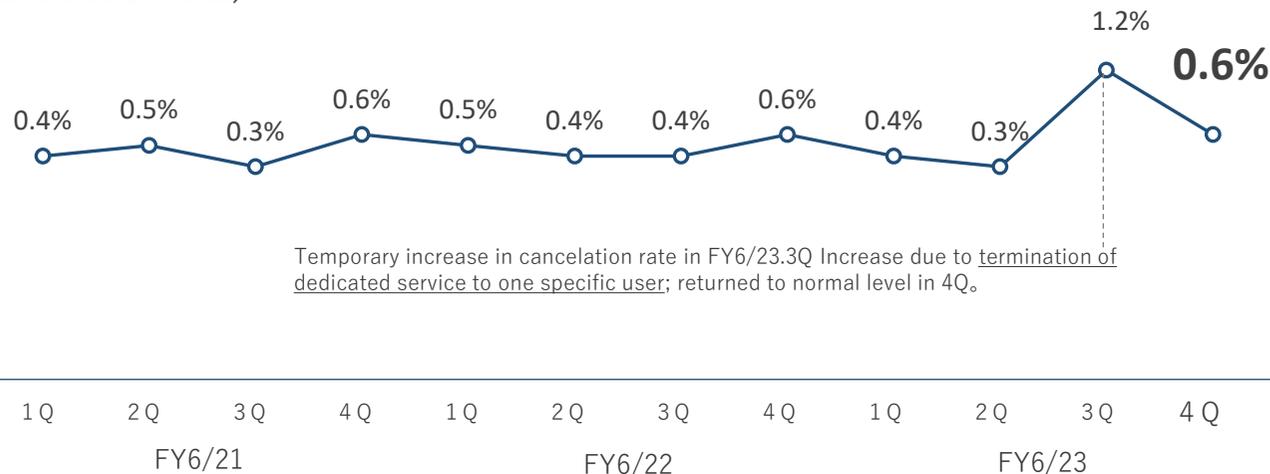
※cancellation rate is average monthly churn rate

### 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

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- 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. 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



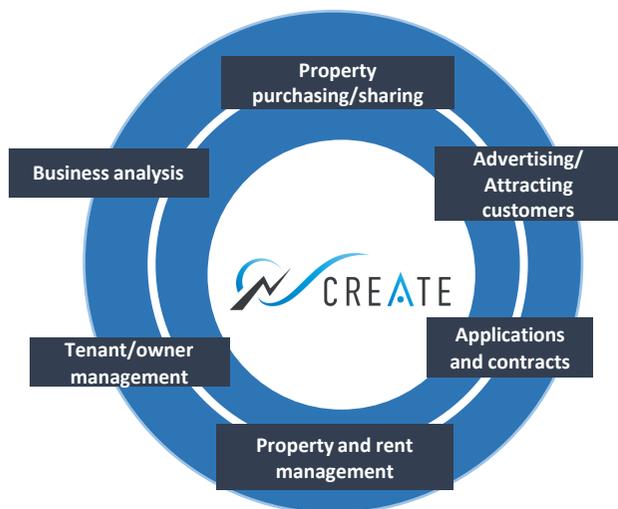
Source: Statistics for Homebuilders and Residential Land and Building Transaction Brokers, end of fiscal 2018, Real Estate Transaction Improvement Organization and Number of Residential Land and Building Transaction Companies, Ministry of Land, Infrastructure, Transport and Tourism

# 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
<b>Products encompass all steps</b>	<b>A large sales network</b>	<b>Support</b>	<b>Market share</b>	<b>Expertise acquired over 29 years</b>
A broad lineup of products for solving many issues for customers, resulting in one-stop solutions extending from brokerage to property management tasks	Consulting closely linked to regional needs and characteristics for real estate companies nationwide; earns customers' trust by providing proposals as well as valuable support	A nationwide IT system advisory network to assist customers after starting to use Japan PropTech's service; support includes remote assistance by Japan PropTech's own call center and other forms of support	The rental management system market has high barriers to new entrants because of the complexity of rental management tasks. Japan PropTech has a large share of this market. Furthermore, up-to-date property data is used for new analysis services.	As the speed of the DX increases, 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.

# Growing market environment

## Japan's Growing Real Estate Technology Industry

Fiscal 2025 forecast

Market size: **¥1,246.1 billion**

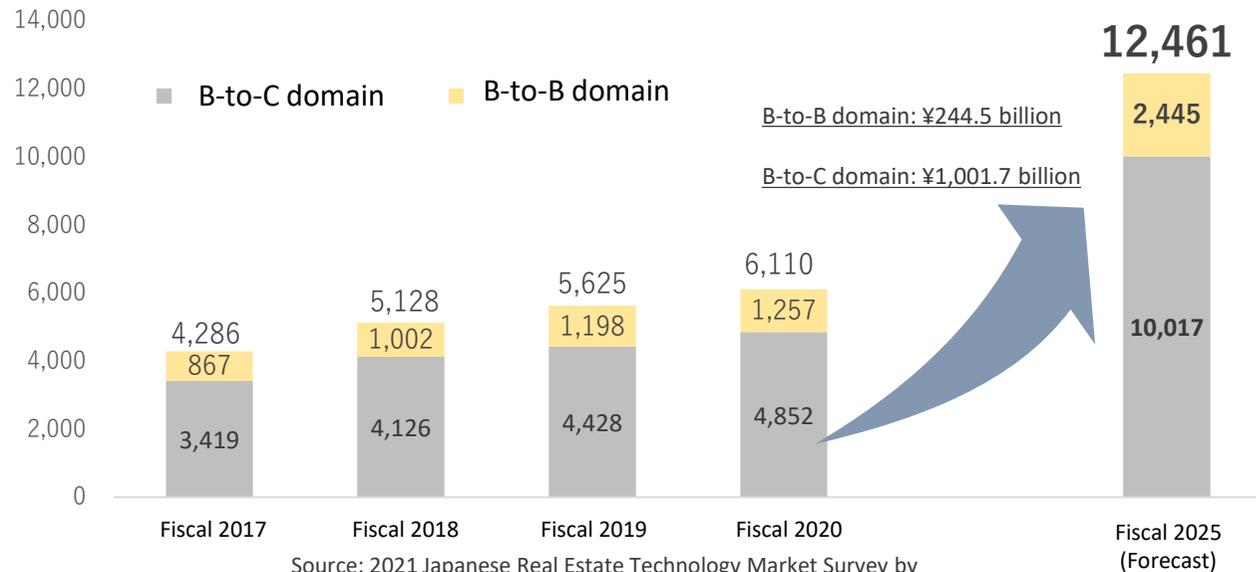
Rapid growth of Japan's real estate technology industry is expected, which will increase the need for the products of Japan PropTech.

## Homebuilders in Japan

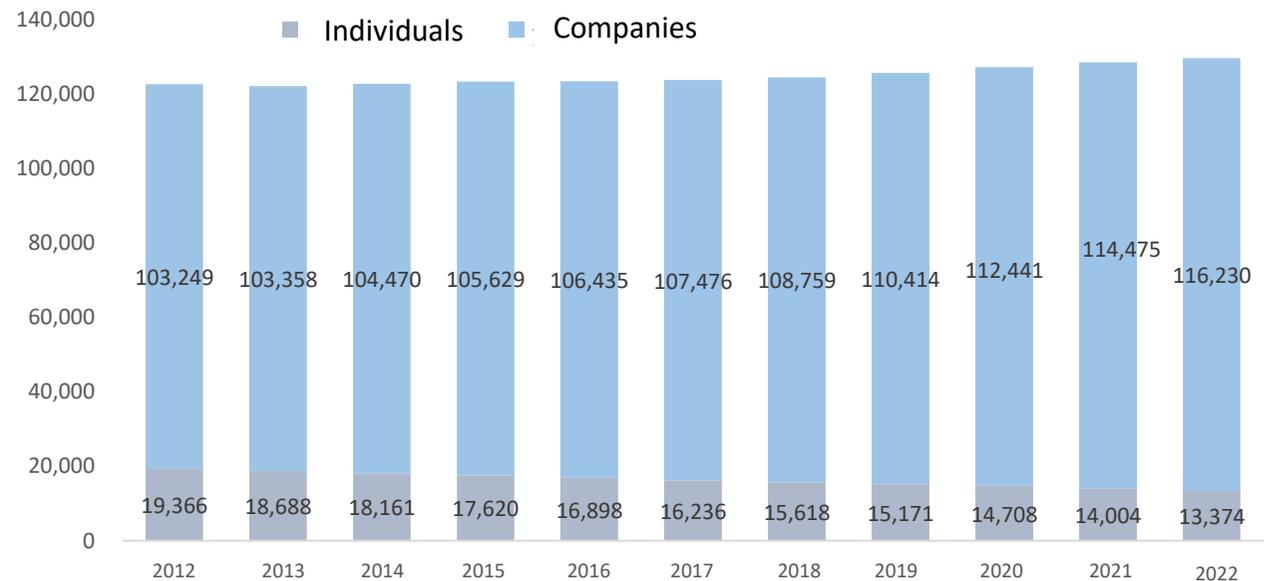
The number of homebuilders has increased slightly, remaining generally **steady at about 120,000**

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.

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



### 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

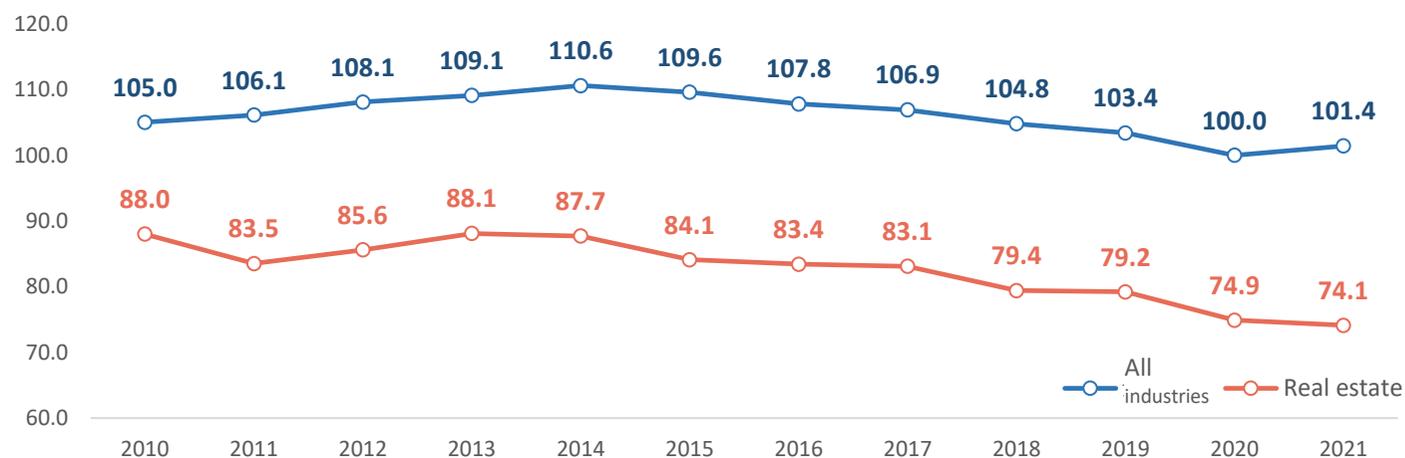
Labor productivity in the real estate industry is low and the demand for DX to improve it will continue to grow. We will support the improvement of labor productivity in the industry with our one-stop product lineup that covers a wide range of operations.

■ 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

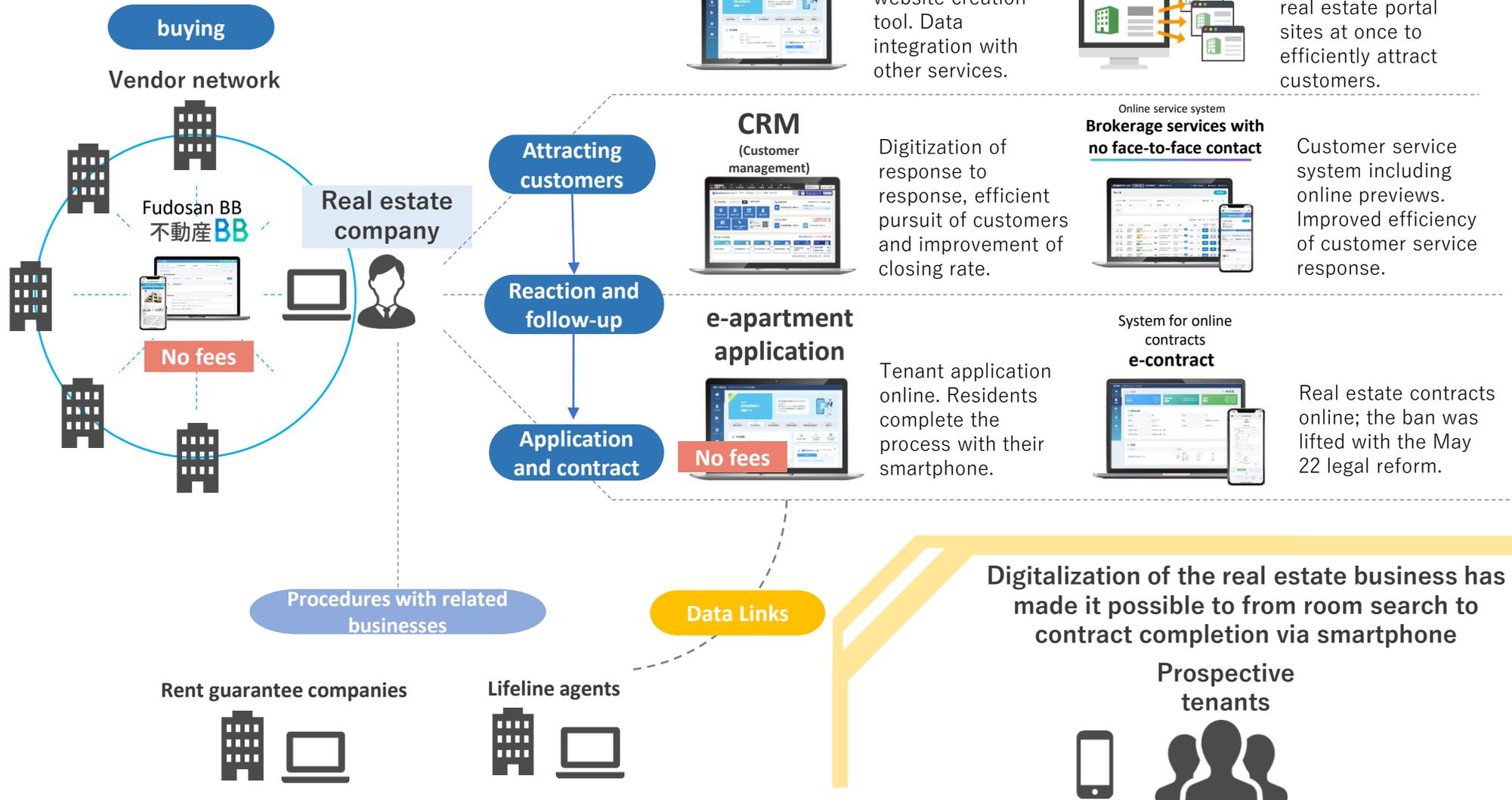
■ Labor productivity index



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

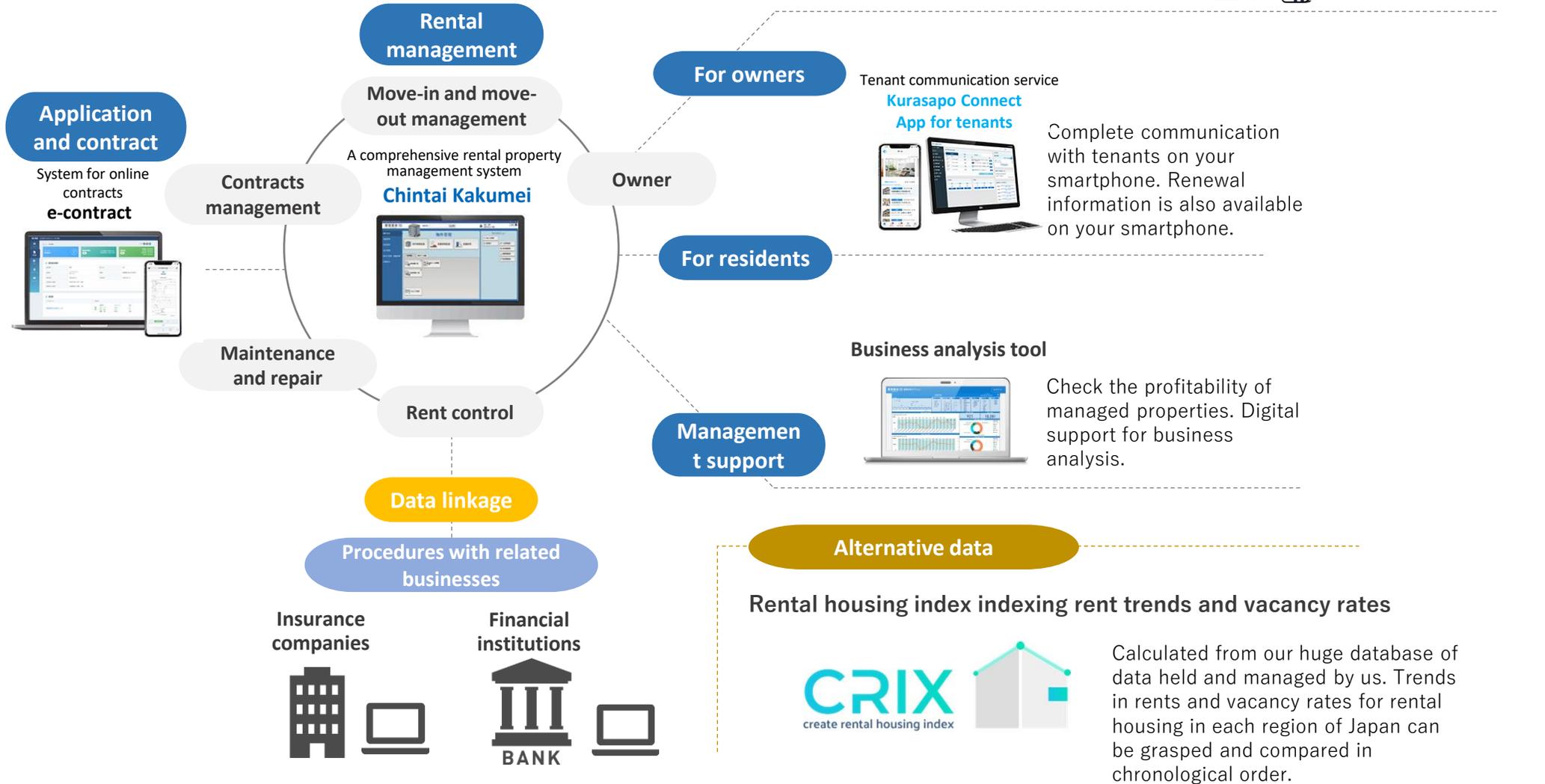
# Our real estate DX support

Seamless data linkage for efficiency of all real estate business processes



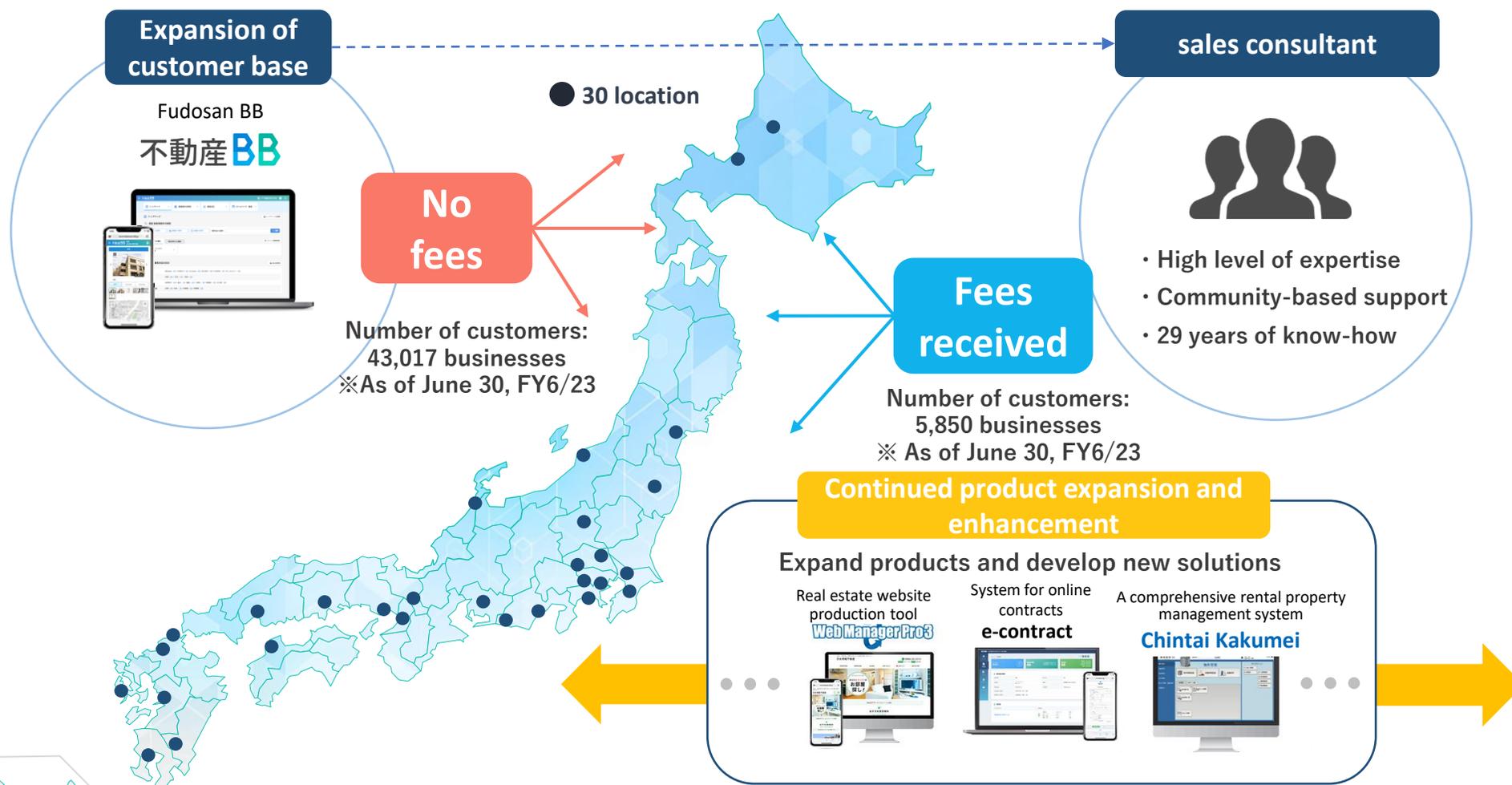
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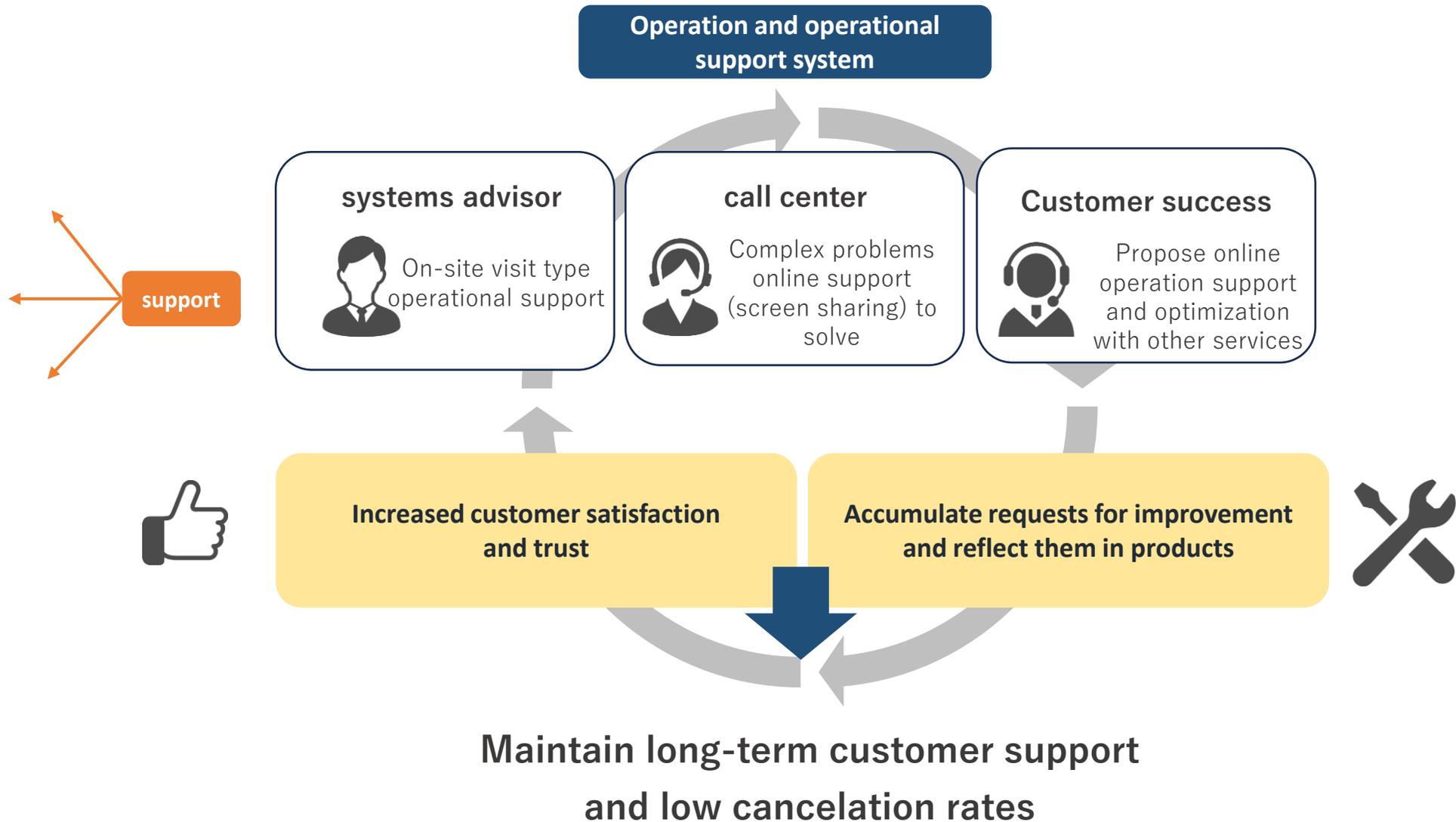


Expanding customer base through free services and promoting DX in the real estate industry from 30 domestic locations.

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



# 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.
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Dedicated to the happiness of  
everyone we serve

