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**Consolidated Financial Results for the Second Quarter
of the Fiscal Year Ending June 30, 2025
(Six Months Ended December 31, 2024)**



[Japanese GAAP]

February 13, 2025

Company name: Japan PropTech Co., Ltd.

Stock code: 4054

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Listing: Tokyo Stock Exchange

URL: <https://www.n-create.co.jp/>

Scheduled date of filing of Quarterly Report:

February 13, 2025

Scheduled date of payment of dividend:

-

Preparation of supplementary materials for quarterly financial results:

Yes

Holding of quarterly financial results meeting:

Yes (for institutional investors and analysts)

(All amounts are rounded down to the nearest million yen.)

**1. Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending June 30, 2025
(July 1, 2024 to December 31, 2024)**

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owner of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Dec. 31, 2024	2,648	30.5	589	125.9	585	123.0	374	126.8
Six months ended Dec. 31, 2023	2,029	14.3	260	104.6	262	49.0	165	54.2

Note: Comprehensive income (millions of yen)

Six months ended Dec. 31, 2024: 373 (125.8 %)

Six months ended Dec. 31, 2023: 165 (54.2 %)

	Net income per share	Diluted net income per share
	Yen Sen	Yen Sen
Six months ended Dec. 31, 2024	26.90	26.62
Six months ended Dec. 31, 2023	11.73	11.60

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Dec. 31, 2024	5,649	3,647	64.6
As of Jun. 30, 2024	5,569	3,466	62.2

Reference: Shareholders' equity (millions of yen)

As of Dec. 31, 2024: 3,647

As of Jun. 30, 2024: 3,466

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen Sen	Yen Sen	Yen Sen	Yen Sen	Yen Sen
Fiscal year ended Jun. 30, 2024	-	0.00	-	5.00	5.00
Fiscal year ending Jun. 30, 2025	-	-	-	-	-
Fiscal year ending Jun. 30, 2025 (forecast)	-	0.00	-	5.00	5.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending June 30, 2025 (July 1, 2024 to June 30, 2025)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owner of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen Sen
Full year	5,000	12.7	1,000	40.9	1,002	35.4	624	45.5	44.27

Note: Revisions to the most recently announced earnings forecast: None

* Notes

(1) Changes in significant subsidiaries during the period: Yes

New - company (company name) -, Excluded 1 company (company name) Real Net Pro, Inc

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of shares outstanding (common shares)

1) Number of outstanding shares as of the end of the period (including treasury shares)

As of Dec. 31, 2024: 14,355,440 shares As of June. 30, 2024: 14,354,440 shares

2) Number of treasury shares as of the end of the period

As of Dec. 31, 2024: 448,573 shares As of Jun. 30, 2024: 278,271 shares

3) Average number of outstanding shares during the period

Six months ended Dec. 31, 2024: 13,938,302 shares Six months ended Dec. 31, 2023: 14,090,928 shares

* This quarterly financial report is not subject to quarterly review by certified public accountants or auditing firms.

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on estimates and assumptions judged to be valid and information available at the time these materials were prepared, but are not guarantees by Japan PropTech regarding future performance. Actual results may differ significantly from these forecasts for various reasons. Please refer to the section “1. Qualitative Information on Quarterly Consolidated Financial Performance” on page 2 of the attachments regarding preconditions or other related matters for the forecasts.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

In the Japanese economy during the first half of the current fiscal year, a gradual recovery is expected to continue due to the effects of various policies. However, there are risks that a downturn in overseas economies, such as the sustained high-interest rates in the U.S. and Europe and the ongoing stagnation of the real estate market in China, could weigh on Japan's economic outlook. Additionally, careful attention must be paid to the impact of rising prices, the situation in the Middle East, and fluctuations in financial and capital markets.

Our group operates in the real estate digital transformation (DX) market, providing SaaS-based cloud services. In this market, the real estate industry continues to face a chronic labor shortage, driving sustained high demand for IT investments aimed at improving productivity. Furthermore, regulatory changes and technological advancements—such as the legalization of online real estate transactions in May 2022, the use of AI for vacancy management, and the application of big data to enhance marketing precision—are accelerating the digital transformation of the industry as a whole.

In this business environment, as a real estate DX promoter specializing in the industry, our company has been supporting real estate businesses with a comprehensive, end-to-end service lineup that addresses individual management challenges, data integration between operators, and overall efficiency improvement across the real estate industry. Additionally, to realize our new medium-term management plan, the 'Three-Year Plan (FY2025-FY2027),' which outlines a three-year growth strategy, we are actively pursuing various growth strategies. We are focusing on increasing our key metric, MRR (Monthly Recurring Revenue), and maintaining our strength of a low churn rate.

*The Three-Year Plan (FY2025–FY2027) outlines our performance targets and key indicators for the three fiscal years from the fiscal year ending June 2025 to the fiscal year ending June 2027. For further details, please refer to the "Q2 FY2025 Financial Results Presentation" available on our IR website.

In the 'Three-Year Plan (FY2025-FY2027),' we aim to build a stable revenue base by increasing the proportion of recurring revenue generated from monthly subscriptions. While maintaining a growth foundation centered on our management solution, 'Chintai Kakumei,' we are focusing on driving growth by boosting the MRR (Monthly Recurring Revenue) of our brokerage solutions.

In our property management solutions, centered on 'Chintai Kakumei,' we work to streamline clients' rental management operations and support communication with tenants and owners through the 'Tenant App' and 'Owner App.' Initial revenue, recorded as license fees at the time of implementation, also represents a significant portion, and monthly subscription fees are further accumulated through monthly usage fees and optional service fees. In addition to new sales, revenue from version upgrades driven by legal revisions and the pursuit of further efficiency remains steady, forming a solid foundation for growth.

Our brokerage solutions offer a lineup of services that support real estate transactions from attracting clients to closing deals. These services include attracting clients through websites and major portal sites, customer relationship management (CRM), and online real estate transactions (such as electronic tenant applications and electronic contracts), all aimed at increasing client acquisition and conversion rates. We also work to streamline processes up to contract completion by utilizing vacancy information digitized through the inter-agency property distribution service 'ReaPro' or similar services like 'Fudosan BB'.

We are currently developing an integrated version of our inter-agency property distribution services, 'ReaPro' and 'Fudosan BB', which are similar services. The release is scheduled for May of this year. Once launched, it is expected to become one of the largest inter-agency property distribution services in Japan, delivering significant value to the market and serving as a foundation for expanding our brokerage solutions.

*'ReaPro' was added to our service lineup through an M&A transaction in 2022.

*The release of this integrated version, which was postponed at the time of the Q1 financial results, has been scheduled for May, considering its impact on customers and avoiding their peak business periods.

Segment information is omitted because the Japan PropTech Group has only a single business segment.

The overview of each service is as follows:

(Solutions for Brokers)

In brokerage solutions, we have supported the digitization of property information and built communication networks among real estate businesses through our paid inter-agency property distribution service 'ReaPro.' This service facilitates the secondary utilization of digitized vacancy information, promoting operational efficiency from customer acquisition to real estate transactions. Specific services supporting customer acquisition and real estate transactions include 'Web Manager Pro,' which aids client acquisition through company websites; 'Property Data Integration,' which supports client acquisition via real estate portal sites; and the 'Electronic Contract Service,' which assists in the digitalization of real estate contracts. We have actively proposed these services to address the challenges in brokerage operations. Additionally, we are encouraging customers already using the free inter-agency property distribution service 'Fudosan BB' to upgrade to the paid 'ReaPro' service. Across our brokerage solutions, monthly usage fees from customers using paid services have steadily increased. The sales of this category was 1,105.147 million yen (Year-on-year increase of 40.0%).

(Solutions for Property Management)

In property management solutions, we have actively promoted the main revenue driver, 'Chintai Kakumei,' through sales to new customers, version upgrades for existing customers, and additional options. Additionally, with the cancellation rate remaining consistently low and stable, monthly subscription fees have steadily accumulated. The sales of this category was 1,518.038 million yen (Year-on-year increase of 24.6%).

* In addition to above sales of 2,623.185 million yen from the Solutions for Brokers and the Solutions for Property Management, sales of 25.301 million yen were recorded from other activities.

(2) Explanation of Financial Position

1) Assets

Total assets at the end of the second quarter of the current fiscal year increased by 79.986 million yen from the end of the previous fiscal year to 5,649.898 million yen. The balance of current assets decreased by 273.891 million yen from the end of the previous fiscal year to 1,825.991 million yen. The balance of non-current assets increased by 353.877 million yen from the end of the previous fiscal year to 3,823.907 million yen.

The decrease in current assets is primarily attributable to a decrease in trade receivable. The increase in fixed assets was due to an increase in software in progress included in intangible fixed assets.

2) Liabilities

Total liabilities at the end of the second quarter decreased by 101.463 million yen from the end of the previous fiscal year to 2,001.994 million yen. The balance of current liabilities decreased by 19.718 million yen from the end of the previous fiscal year to 1,747.388 million yen.

The primary factor was a decrease in accounts payable and accrued expenses included in other current liabilities.

3) Net assets

Net assets at the end of the second quarter increased by 181.449 million yen from the end of the previous fiscal year to 3,647.904 million yen.

This is primarily attributable to an increase in retained earnings due to the booking of profit attributable to owners of parent and dividend paid.

4) Cash flows

As of the end of the interim consolidated accounting period, cash and cash equivalents (hereinafter referred to as "funds") amounted to 930.786 million yen. The status of each cash flow during the interim consolidated accounting period and the factors affecting them are as follows.

(Cash flows from operating activities)

Cash inflow from operating activities amounted to 790.324 million yen (up from an inflow of 131.089 million yen in the same period of the previous year).

This was primarily due to a pre-tax interim net income of 586.370 million yen, as well as an increase in trade receivables of 293.224 million yen.

(Cash Flows from Investing Activities)

Cash outflow from investing activities amounted to 586.671 million yen (up to an outflow of 179.744 million yen in the previous year).

This was primarily due to:

472.498 million yen in expenditures for the acquisition of intangible fixed assets,

79.280 million yen in expenditures for the acquisition of shares of non-consolidated subsidiaries, and

17.336 million yen in expenditures for the acquisition of tangible fixed assets.

(Cash Flows from Financing Activities)

Cash outflow from financing activities amounted to 60.312 million yen (up to an outflow of 119.970 million yen in the previous year).

This was primarily due to dividend payments of 70.241 million yen.

(3) Explanation of Consolidated Earnings Forecast and Other Forward-looking Statements

There are no revisions to the forecast for the fiscal year ending June 30, 2025 that was announced on August 6, 2024 with "Consolidated Financial Results for the Fiscal Year Ended June 30, 2024 [Japanese GAAP]". An announcement will be made promptly if the forecast is revised.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY6/24 (As of Jun. 30, 2024)	2Q FY6/25 (As of Dec. 31, 2024)
Assets		
Current assets		
Cash and bank deposits	961,024	1,104,369
Accounts receivable	708,606	415,381
Merchandise	6,473	155
Work in progress	36,270	25,772
Stores	1,447	2,566
Other	386,458	277,926
Allowance for doubtful accounts	(398)	(181)
Total current assets	2,099,882	1,825,991
Fixed assets		
Property, plant and equipment	507,783	531,891
Intangible fixed assets		
Software	223,083	169,092
Software temporary account	588,450	1,038,033
Goodwill	643,601	583,264
Customer-related assets	928,200	874,650
Other intangible assets	13,422	13,422
Total intangible assets	2,396,757	2,678,462
Investments and other assets		
Other	597,636	644,845
Allowance for doubtful accounts	(32,146)	(31,291)
Total investments and other assets	565,489	613,554
Total fixed assets	3,470,030	3,823,907
Total assets	5,569,912	5,649,898
Liabilities		
Current liabilities		
Accounts payable	26,441	16,974
Accrued income tax	220,123	139,157
Contract liabilities	893,953	1,107,597
Allowance for losses on orders received	16,620	15,817
Other	609,968	467,842
Total current liabilities	1,767,107	1,747,388
Non-current liabilities		
Asset retirement obligations	17,775	17,848
Deferred tax liabilities	316,689	234,143
Other	1,884	2,613
Total non-current liabilities	336,350	254,605
Total liabilities	2,103,457	2,001,994

	(Thousands of yen)	
	FY6/24	2Q FY6/25
	(As of Jun. 30, 2024)	(As of Dec. 31, 2024)
Net assets		
Shareholders' equity Share		
Capital	729,648	729,728
Capital surplus	701,358	701,438
Retained earnings	2,259,350	2,563,921
Treasury shares	(225,631)	(347,582)
Total shareholders' equity	3,464,725	3,647,505
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	493	398
Deferred hedge gains and losses	1,236	—
Total accumulated other comprehensive income	1,729	398
Total net assets	3,466,455	3,647,904
Total liabilities and net assets	5,569,912	5,649,898

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income**
(For the Six-month Period)

	(Thousands of yen)	
	2Q FY 6/24 (Jul.1, 2023 – Dec. 31, 2023)	2Q FY 6/25 (Jul. 1, 2024 – Dec. 31, 2024)
Net sales	2,029,387	2,648,486
Cost of sales	692,549	782,466
Gross profit	1,336,838	1,866,019
Selling, general and administrative expenses	1,075,941	1,276,667
Operating profit	260,897	589,352
Non-operating income		
Real Estate Rental Fees	2,757	5,277
Other	219	952
Total non-operating income	2,977	6,230
Non-operating expenses		
Foreign exchange losses	295	5,803
Miscellaneous Losses	283	2,494
Other	624	1,532
Total non-operating expenses	1,202	9,830
Ordinary profit	262,671	585,752
Extraordinary profit		
Gain on sales of fixed asset	251	679
Total extraordinary profit	251	679
Extraordinary losses		
Loss on removal of fixed assets	214	61
Total extraordinary losses	214	61
Profit before income taxes	262,707	586,370
Income taxes	97,403	211,418
Profit	165,304	374,952
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	165,304	374,952

Quarterly Consolidated Statement of Comprehensive Income
(For the Six-month Period)

	(Thousands of yen)	
	2Q FY 6/24 (Jul.1, 2023 – Dec. 31, 2023)	2Q FY 6/25 (Jul. 1, 2024 – Dec. 31, 2024)
Profit	165,304	374,952
Other comprehensive income		
Valuation difference on available-for-sale securities	130	(94)
Deferred hedge gains and losses	—	(1,236)
Total other comprehensive income	130	(1,330)
Comprehensive income	165,434	373,621
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	165,434	373,621
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statement of Cash Flows

	(Thousands of yen)	
	2Q FY 6/24 (Jul.1, 2023 – Dec. 31, 2023)	2Q FY 6/25 (Jul. 1, 2024 – Dec. 31, 2024)
Cash flows from operating activities		
Profit before income taxes	262,707	586,370
Depreciation	103,025	83,029
Amortization of goodwill	40,225	60,337
Amortization of customer relationship	35,700	53,550
Increase (decrease) in allowance for doubtful accounts	758	(1,072)
Increase (decrease) in provision for bonuses	20,090	—
Interest and dividend income	(16)	(93)
Interest expenses	624	14
Decrease (increase) in trade receivables	27,446	293,224
Increase (decrease) in contract liabilities	(22,440)	213,643
Decrease (increase) in inventories	4,089	15,695
Loss (gain) on sale of non-current assets	(251)	(679)
Loss on disposal of tangible fixed assets	214	61
Increase (decrease) in accounts payable	(114,970)	(42,953)
Increase (decrease) in accrued expenses	(120,160)	(128,516)
Increase (decrease) in provision for order losses	(2,622)	(803)
Decrease (increase) in prepaid expenses	(12,685)	(31,332)
Other, net	(6,421)	(12,667)
Subtotal	215,314	1,087,809
Interest and dividends received	16	93
Interest paid	(624)	(14)
Income taxes paid	(83,616)	(297,564)
Net cash provided by (used in) operating activities	131,089	790,324
Cash flows from investing activities		
Purchase of investment securities	—	(9,130)
Purchase of property, plant and equipment	(23,502)	(17,336)
Purchase of intangible assets	(161,066)	(472,498)
Purchase of shares of non-consolidated subsidiaries	—	(79,280)
Purchase of insurance funds	—	(9,101)
Other, net	4,824	675
Net cash provided by (used in) investing activities	(179,744)	(586,671)
Cash flows from financing activities		
Repayments of long-term borrowings	(49,978)	—
Purchase of treasury shares	—	(121,951)
Decrease (increase) in deposits for treasury share acquisitions	—	132,024
Proceeds from issuance of shares resulting from exercise of share acquisition rights	160	160
Dividends paid	(70,152)	(70,241)
Other, net	—	(303)
Net cash provided by (used in) financing activities	(119,970)	(60,312)
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	(168,625)	143,339
Cash and cash equivalents at beginning of period	954,716	787,446
Cash and cash equivalents at end of period	786,091	930,786

(4) Notes to Quarterly Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Application of Special Accounting Methods for Preparing Quarterly Consolidated Financial Statements

Calculation of tax expense

Tax expense was calculated by first reasonably estimating the effective tax rate after the application of tax effect accounting with respect to profit before income taxes for the fiscal year, and then multiplying such rate by the quarterly profit before income taxes.

Significant Changes in the Scope of Consolidation During the Current Consolidated Cumulative Period

During the second quarter of the consolidated fiscal period, Real Net Pro, Inc. a wholly owned subsidiary of our company, was dissolved through an absorption-type merger with our company as the surviving entity, and was therefore excluded from the scope of consolidation. As a result, for the preparation of the consolidated financial statements, we consolidated Real Net Pro's results for the three-month period from April 1, 2024, to June 30, 2024, and made adjustments through the consolidated income statement. For further details, please refer to the financial results briefing materials.

Business Combinations, etc.

Merger with a Consolidated Subsidiary

At the Board of Directors meeting held on May 24, 2024, our company resolved to conduct an absorption-type merger with Real Net Pro, Inc. our wholly owned subsidiary, with the effective date of the merger set for July 1, 2024.

1. Overview of the Transaction

(i) Name of Companies Involved and Description of Business

Name of Merged Company: Real Net Pro, Inc.

Business Description: Development, sales, and maintenance services for real estate business support software

(ii) Merger Date

July 1, 2024

(iii) Legal Form of Business Combination

An absorption-type merger, with our company as the surviving entity and Real Net Pro, Inc. as the dissolved entity

(iv) Name of Company After the Merger

Japan PropTech Co., Ltd.

(v) Other Details Related to the Transaction

By integrating operations from development to sales within the same organization, we aim to enhance operational efficiency and promote new business expansion, leading to the decision for this merger.

2. Overview of Accounting Treatment

In accordance with the "Accounting Standard for Business Combinations" (Accounting Standards Board of Japan Statement No. 21, January 16, 2019) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (Guidance No. 10, January 16, 2019), this transaction is treated as a transaction under common control.

Notes on Segment Information, etc.

As the Group operates in a single segment, the real estate business support segment, detailed segment information is Omitted