

FY2024 Q3

Earnings Results Supplementary Materials

【TICKER】 4389 / 【TERM】 2024.04 – 2024.12

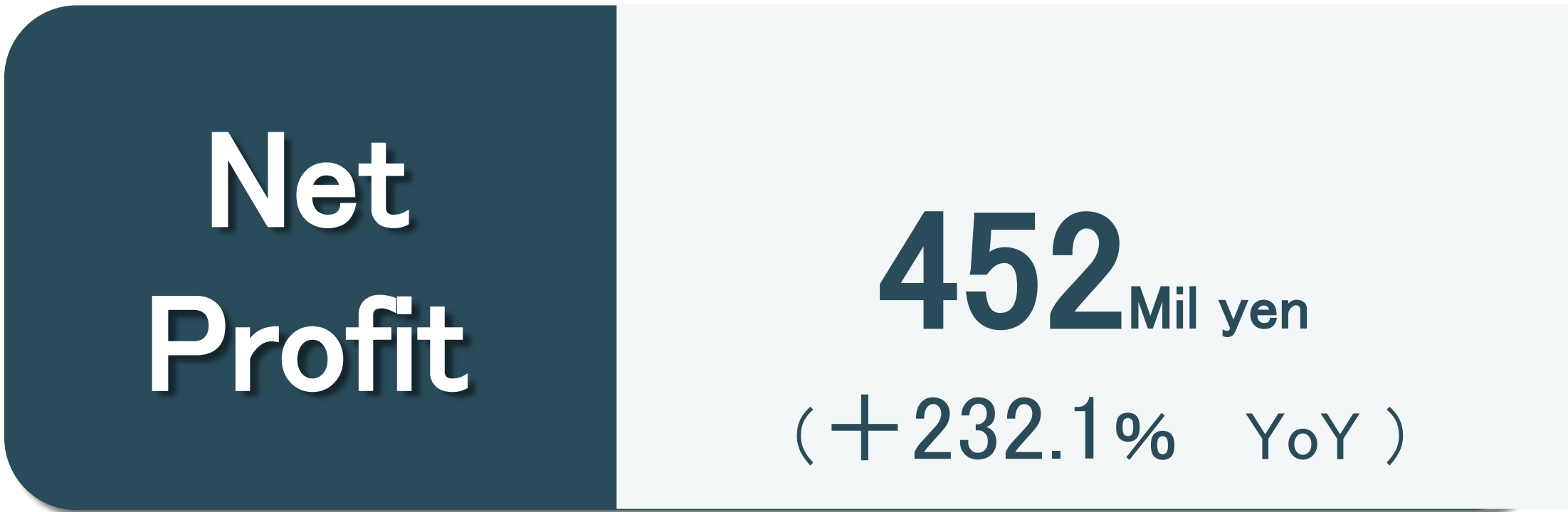
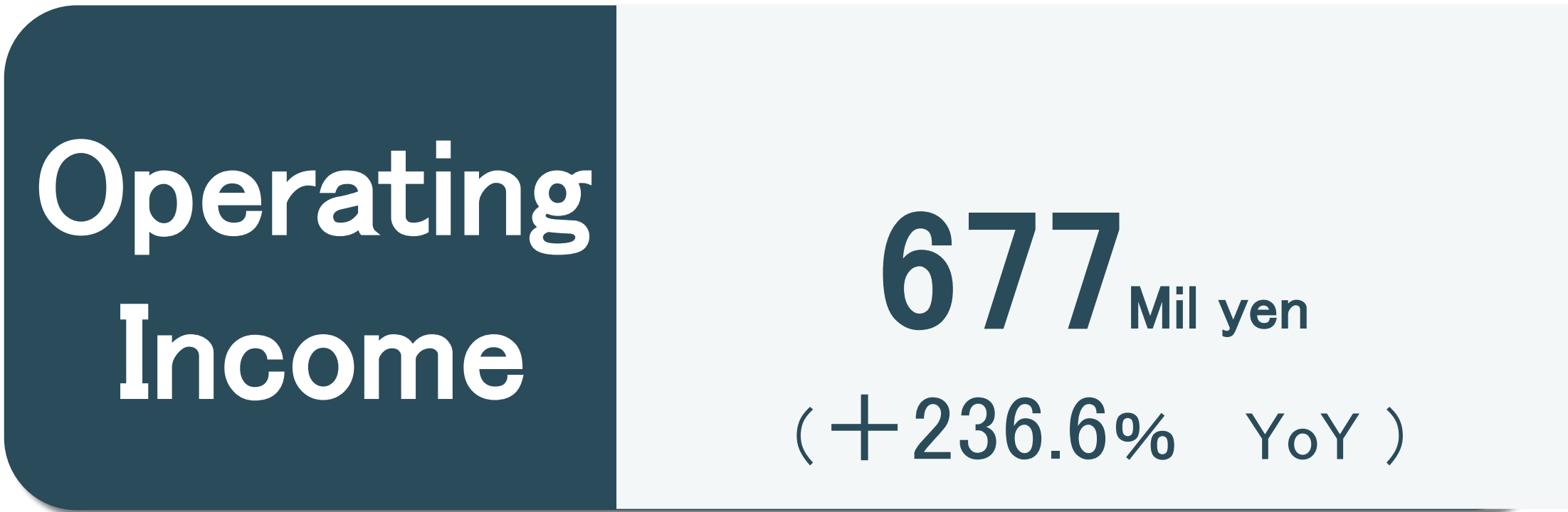
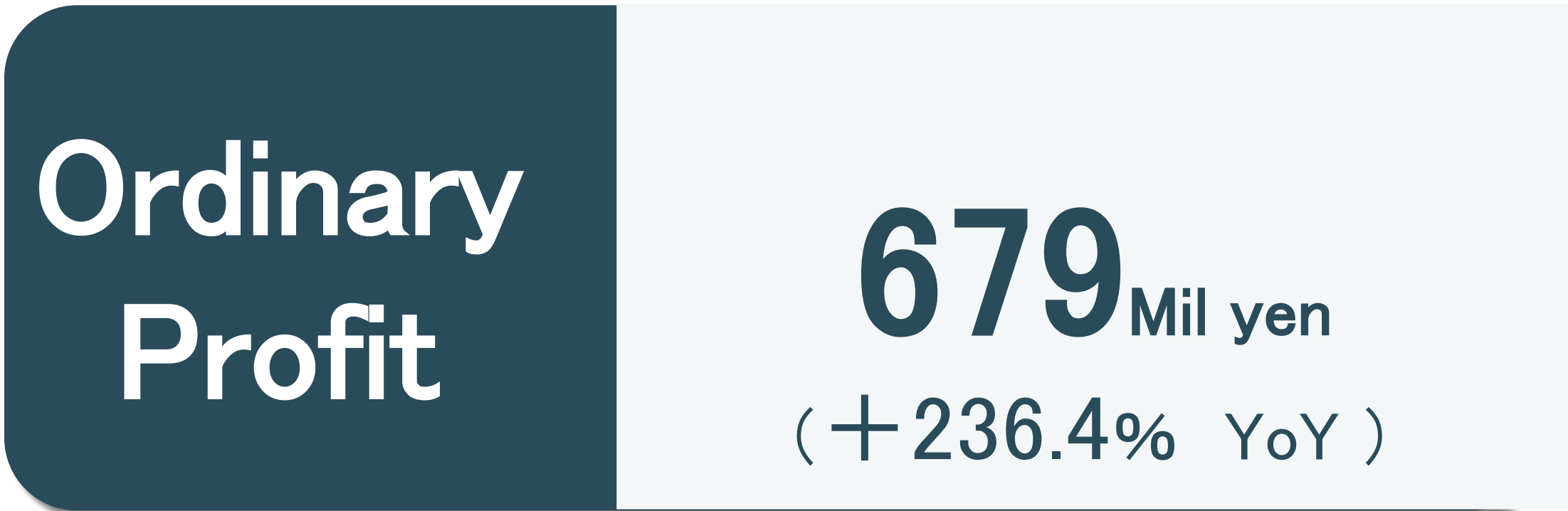
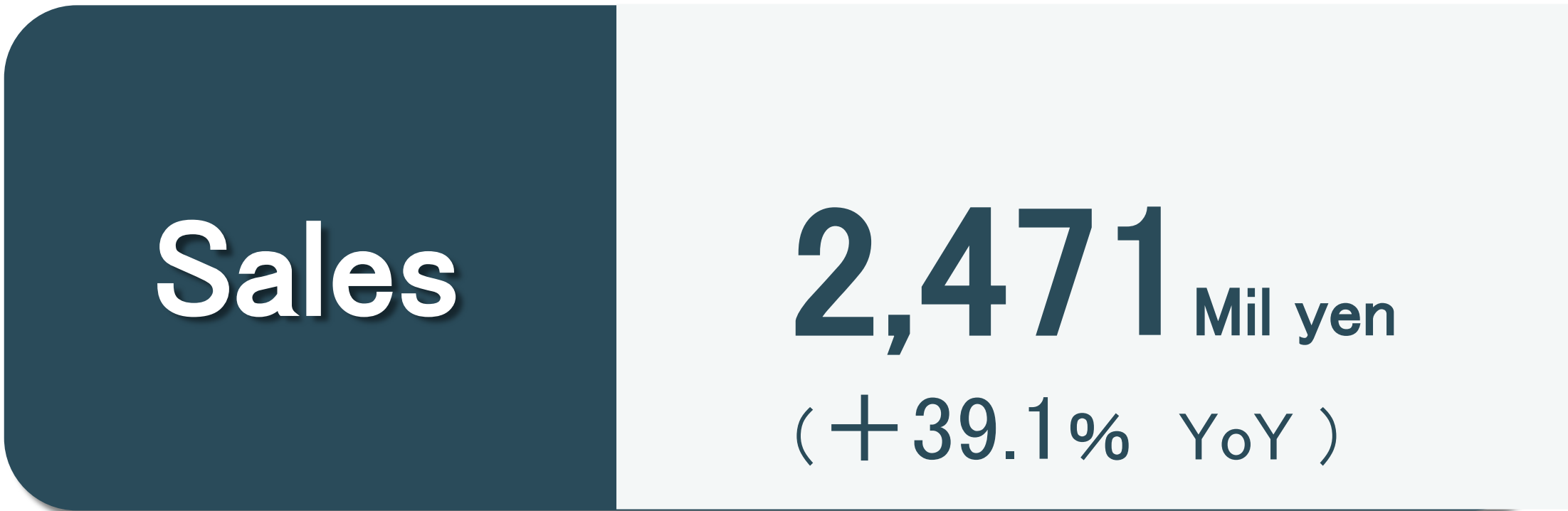
February 7, 2024

FY2024 Q3 Earnings Summary



FY2024 Q3 Earnings Summary (consolidated)

Q3 earnings significantly increased in both revenue and profit compared to the same period last year.
The increase in sales and the improvement in the SG&A expense ratio (35.4% ⇒ 26.3%) boosted profits.
Regarding Solution business, customization for large-scale projects contributed to sales.



※ Rounded down to the nearest million yen

FY2024 Q3 Summary

FY2024 Plan

Property Data Bank

(Sales **3,030** Million yen)

- Continue to appeal as real estate ERP
- Continue strengthen getting orders for large projects from general business companies

Property Data Technos

(Sales **300** Million yen)

- Continue to focus on expanding document management services.
- Strive to expand businesses that generate ongoing income, such as BPO
- Collaborate with PDB to expand new customers

Property Data Science

(Sales **300** Million yen)

- Increase sales personnel to expand @commerce sales
- For Speed ANSWER, enhance its consulting function.
- Work to expand data science business

New Service

(Sales **350** Million yen)

- Promote development of new businesses based on PDB-platform
- Developing AI / Generation AI related services based on SCORER
- REIVO seeks to strengthen cooperation with PDB
- Promote M&A and business alliances, etc.

FY2024 Q3 Results

(Sales **2,140** Million yen)

- New customers increased from July to September. Solution projects completed as planned.
- Linkage of BIM data from “GLOOBE Architect” by Fukui Computer Architect Co. to @property has become possible.
- Hold “CRE” seminar with Accenture in Oct.

(Sales **173** Million yen)

- Continued to develop sales channels for document management services to general business companies. Acquired several new customers
- Received an order for a document management project related to data transfer to @knowledge

(Sales **15** Million yen)

- For @commerce, continuously promoted to develop sales opportunities into projects
- Started web marketing, then acquired lead customers
- Received a large order of “Data Science” project

(Sales **151** Million yen)

- PDB partially outsourced the development of peripheral functions of @property to REIVO, then strengthen collaboration with the company
- REIVO received an order for development utilizing generative AI
- Services related to the use of BIM have progressed

○ FY2024 Q3 Earnings Highlights (YoY)

Sales increased 39.1% YoY due to expansion of solution services and the consolidation of REIVO as a subsidiary.

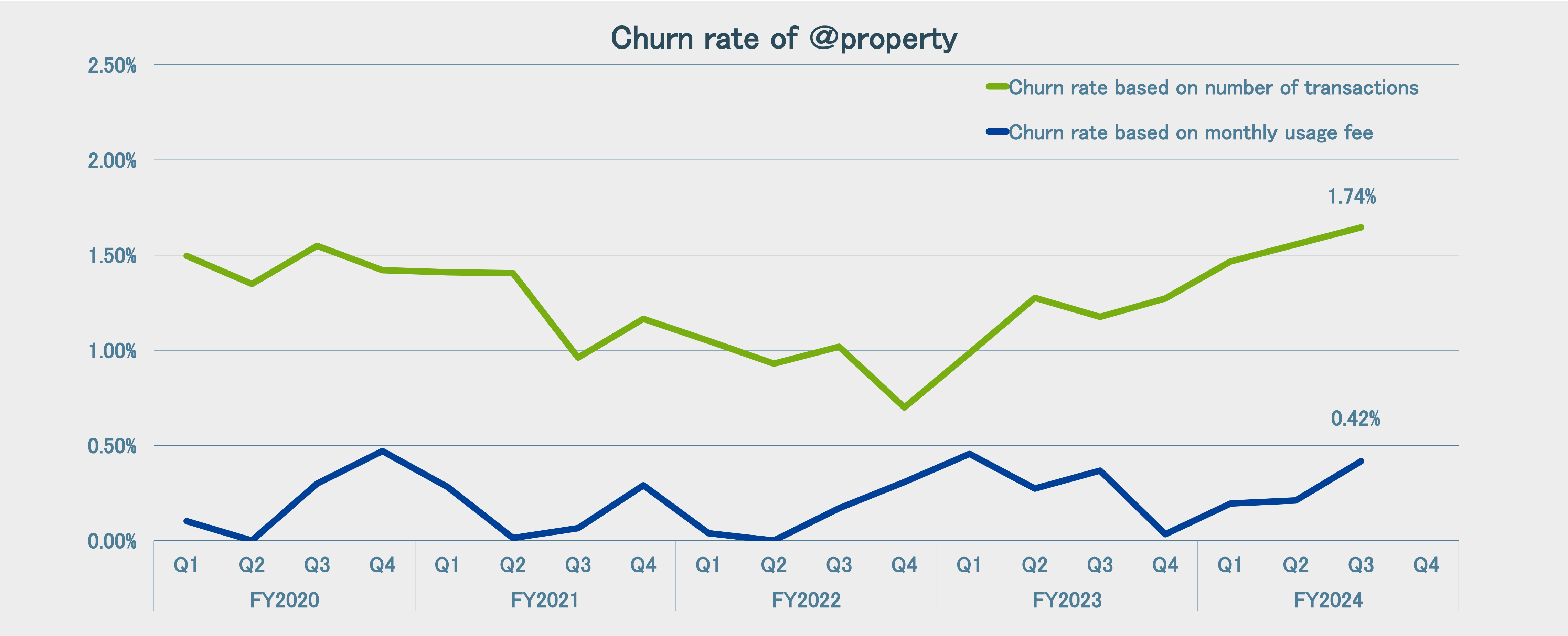
Operating income increased by 236.6% YoY caused by improvement of sales and gross margin.

(Unit : Million Yen)		FY2023 Q3	FY2024 Q3	YoY
		Results	Results	
Sales (consolidated)		1,776	2,471	+39.1%
Property Data Bank	Cloud services	1,225	1,327	+8.3%
	Solution services	375	813	116.6%
Property Data Technos		162	173	+7.3%
Property Data Science		15	15	+6.0%
New Service		—	151	—
Operating income		201	677	+236.6%
Ordinary profit		201	679	+236.4%
Profit attributable to owner of the parent company		136	452	+232.1%

@property Churn Rate

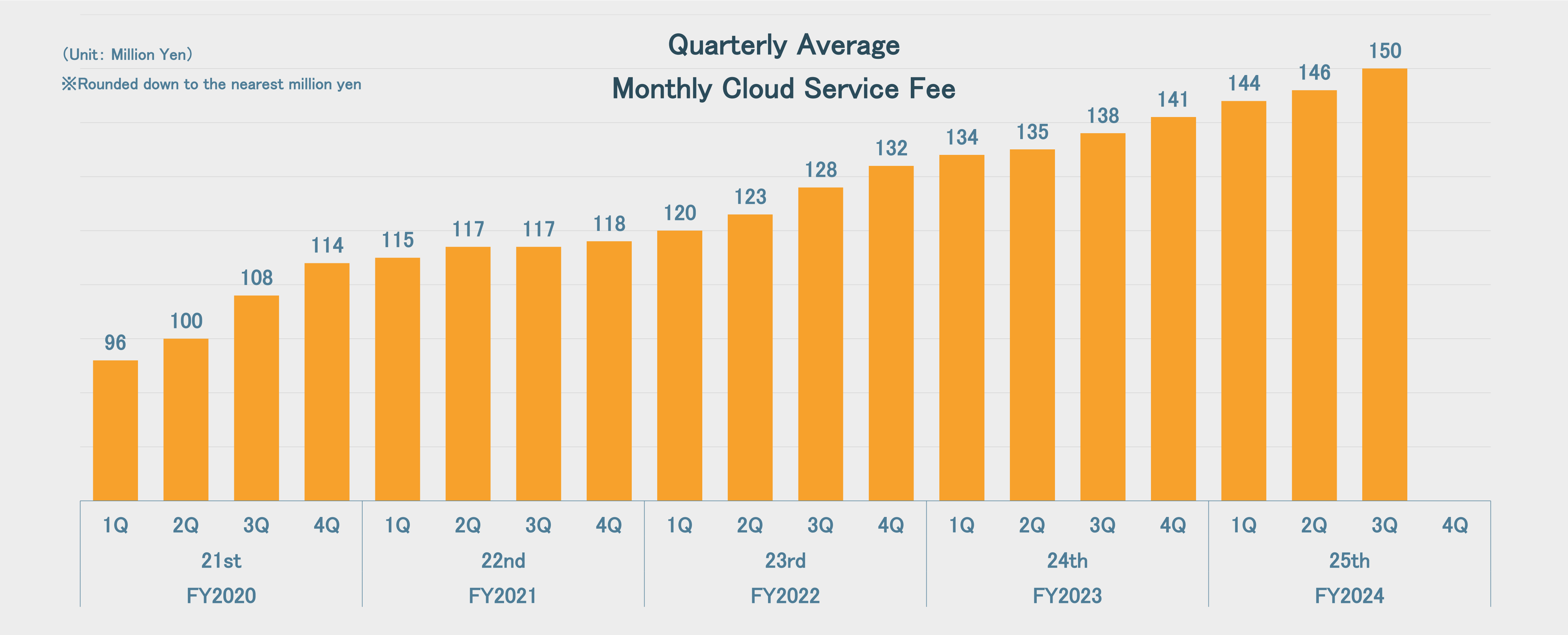
Churn rate based on number of transactions is 1.74%, and the one based on monthly usage fee is 0.42%.

Although the impact of these churn is minimal in terms of monetary amount, we will strengthen the follow-up system for existing customers to raise the bottom line of cloud usage fees and reduce the number of churn.



Monthly Cloud Service Fee (Quarterly Average)

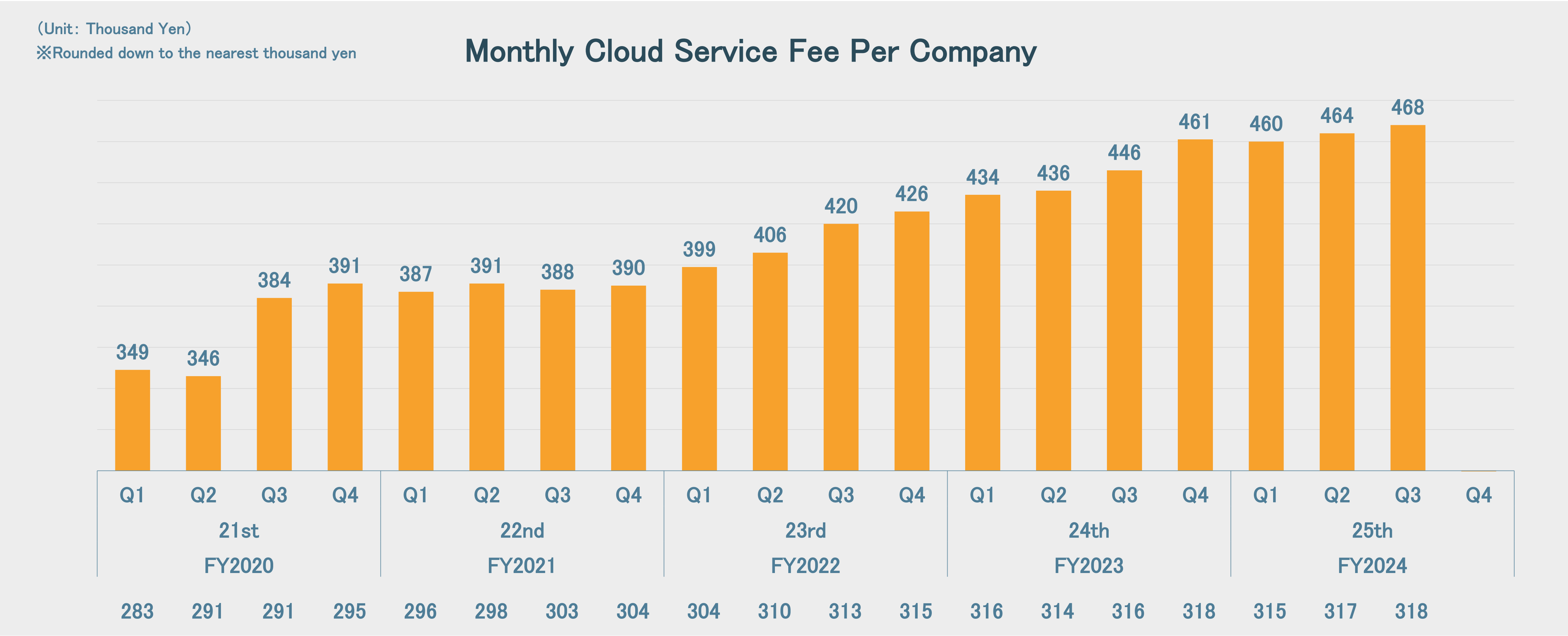
Monthly Cloud Service fee continue to expand.



Monthly Cloud Service Fee per Company

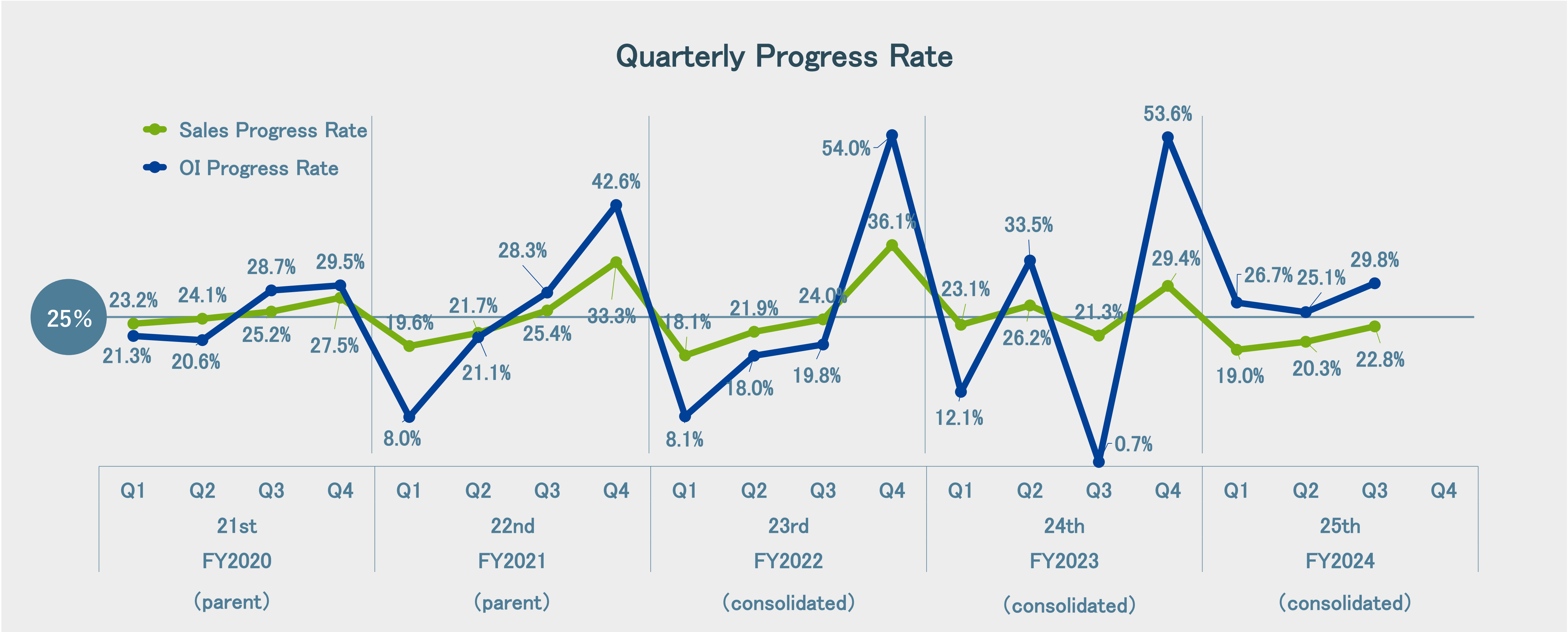
Average monthly fee per company continues to increase.

The expansion of existing customers' usage (increase in the number of IDs and addition of buildings) contributed.



Progress Rate by quarter

Until last fiscal year, the profit composition ratio for Q4 was high because solution project sales were concentrated in Q4. This fiscal year, it is anticipated that the sales of solution projects in Q4 will not expand as much as usual, so the profit composition ratio for Q4 is expected to decline.



Earnings Forecast : Downward Revision

Sales of new services and subsidiaries were below forecasts. The suppression of outsourcing expenses in the cost of sales and the control of SG&A contributed to maintain the initial profit forecasts.

(Unit : Million Yen)		FY2024 Full year	FY2025 Full year	Change
		Previously announced forecast	Revised forecast	
Sales (consolidated)		3,980	3,300	△17.1%
Property Data Bank	Cloud services	1,790	1,778	△0.7%
	Solution services	1,240	1,075	△13.3%
Property Data Technos		300	231	△22.7%
Property Data Science		300	27	△91.0%
New Service		350	202	△42.3%
Operating income		830	830	0.0%
Ordinary profit		830	830	0.0%
Profit attributable to owner of the parent company		570	570	0.0%

※Rounded down to the nearest million yen ※ REIVO's sales are included in new service.

Initiative : New Lease Accounting Standard



○ New Lease Accounting Standard (Applicable from the fiscal year starting April 2027)

■ September 13, 2024, ASBJ issued “New Accounting Standard for Leases”.

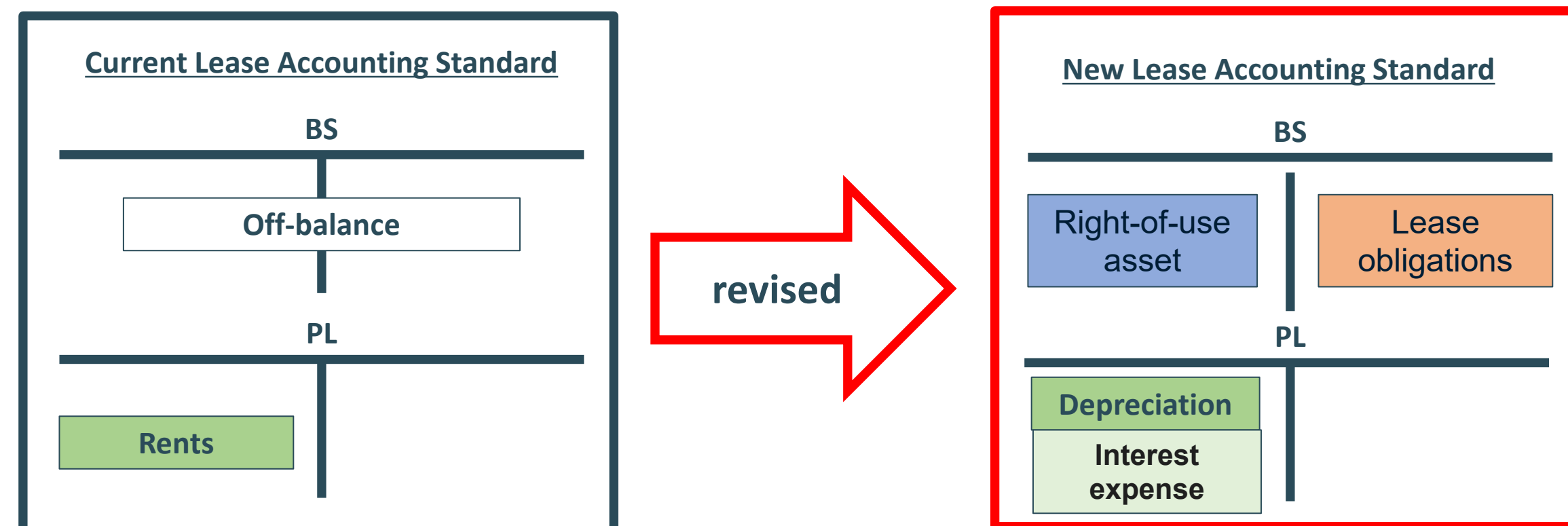
This revision to lease accounting will have significant implications for a wide range of companies.

Key Points of the New Lease Accounting Standard:

1. On-Balance Sheet Treatment: In principle, all lease transactions will be required to be recorded on the balance sheet.
2. Inclusion of Lease Agreements: The definition of “lease transaction” includes lease agreements.

⇒ Companies that rent real estate are required to make changes to their accounting procedures.

The volume of accounting processes are anticipated to increase.



■ “On January 22, 2025, a seminar titled ‘Overview of the New Lease Accounting Standards and Its Impact on Lessors of Real Estate Leases’ was held in collaboration with PwC Japan LLC.

Over 200 customers participated.”

○ 4 Key points of @property for New Lease Accounting Standard

Point 1

@property have already offered 'IFRS 16' option to some clients, we have expertise in this area. Additionally, @property has already provided partial support for new lease accounting to some financial sector customers.

Point 2

It is possible to quickly develop and provide functions for the New Lease Accounting Standard by adjusting the 'IFRS 16' option to comply with Japanese GAAP.

Point 3

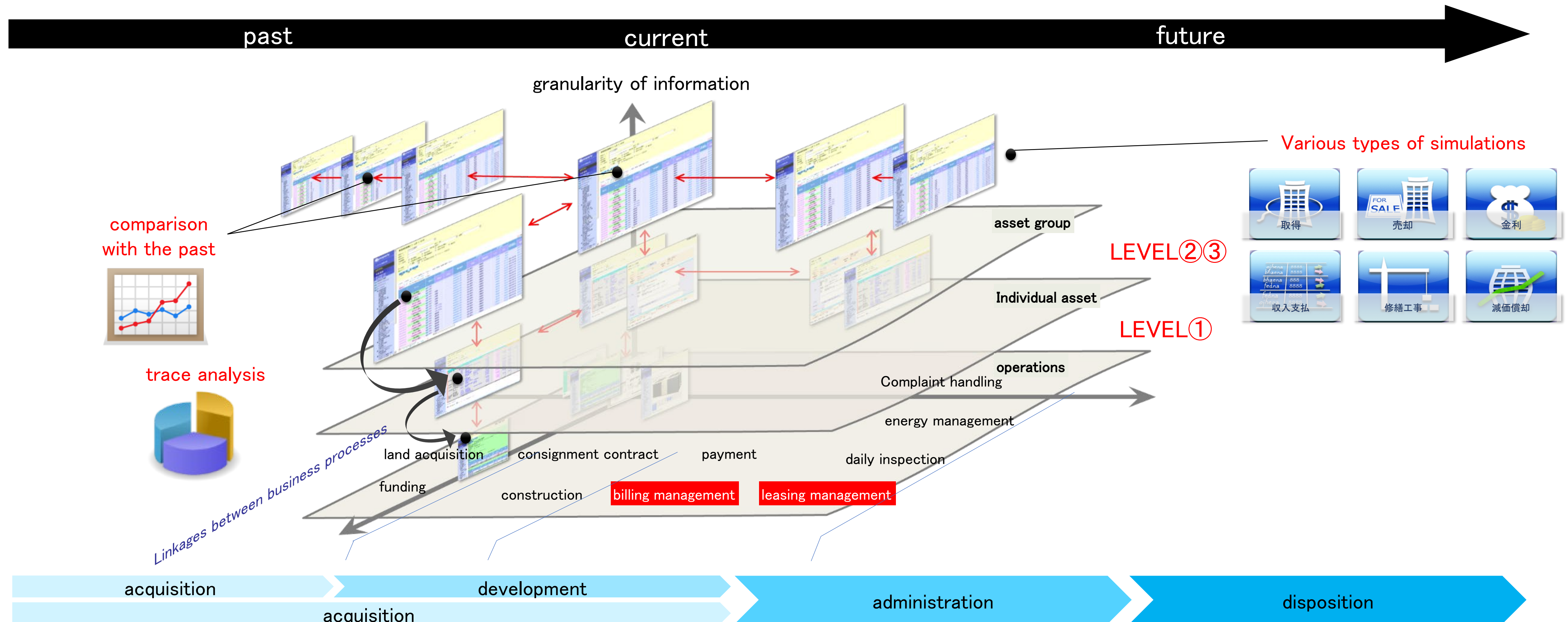
It is possible to store lease agreements in database of @property, and the data is held by timeline and section. This function makes @property possible to clarify the lease contracts.

Point 4

@property fit for both of 'lessee' and 'lessor' as it can manage lease contracts on each sides.

○ @property's function : New Lease Accounting Standard

Data aggregated in @property can be divided freely, and the user can trace the data between operations. Past, current and future data are all stored in the database, it is possible to perform retroactive processing (by tracing lease contract information) after the application of New Lease Accounting Standard.





PROPERTY DATA BANK

Contacts

Tel : +81-3-5777-3468

Mail : PDB_IRinquiries@propertydbk.com

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