

Results of Operations for the First Half of the Fiscal Year Ending June 30, 2021

February 19, 2021



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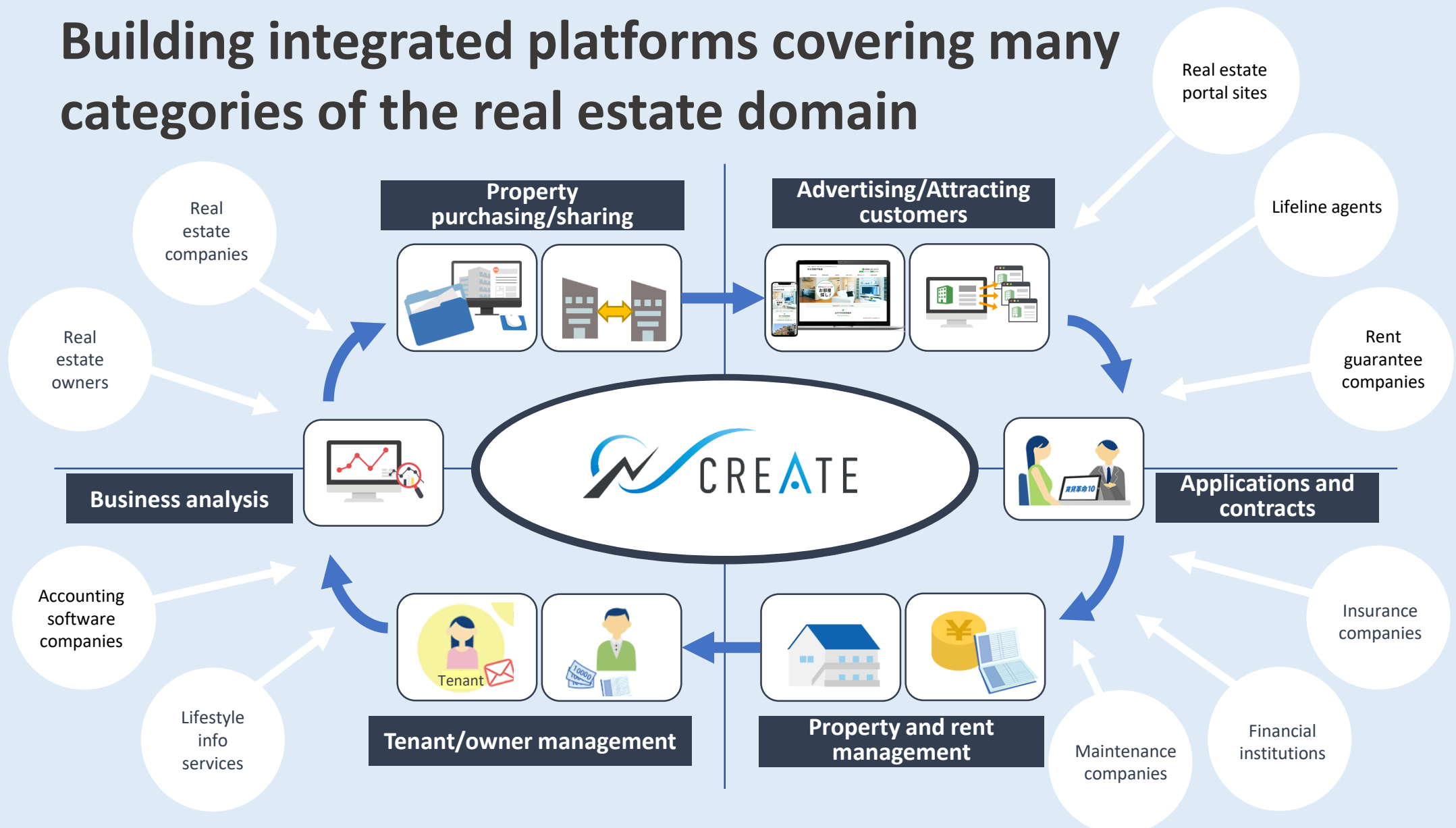
Become a platformer in the real estate domain

**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.

Kenichi Yonetsu, President and Representative Director

Building integrated platforms covering many categories of the real estate domain



Company Profile



Company name	Nihon Jyoho Create Co., Ltd.
Establishment	August 1994
Location	13-18 Kanmachi, Miyakonojo-shi, Miyazaki prefecture
Number of employees	239 (As of June 30, 2020)
Business activities	Business support system and services for real estate companies
Executive officers	Kenichi Yonetsu, President and Representative Director Hideaki Maruta, Director and General Manager, Development Department Atsushi Arai, Director and General Manager, Sales Department Naohiro Senokuchi, Director and General Manager, Administration Department Daisuke Unno, Director and Member of the Audit & Supervisory Committee Hiroshi Miura, Outside Director and Member of the Audit & Supervisory Committee Osamu Yamamoto, Outside Director and Member of the Audit & Supervisory Committee
Listed market	Tokyo Stock Exchange (Mothers) Stock code: 4054

Offices	Miyazaki Headquarters/Sapporo/Sendai/Tokyo/Saitama /Nagoya/Hokuriku
	Osaka/Hiroshima/Shikoku/Fukuoka (11 locations in Japan)



Kenichi Yonetsu,
President and Representative Director

First Half Results of Operations and Highlights

Sales Aiming for 30 Consecutive Years of Growth

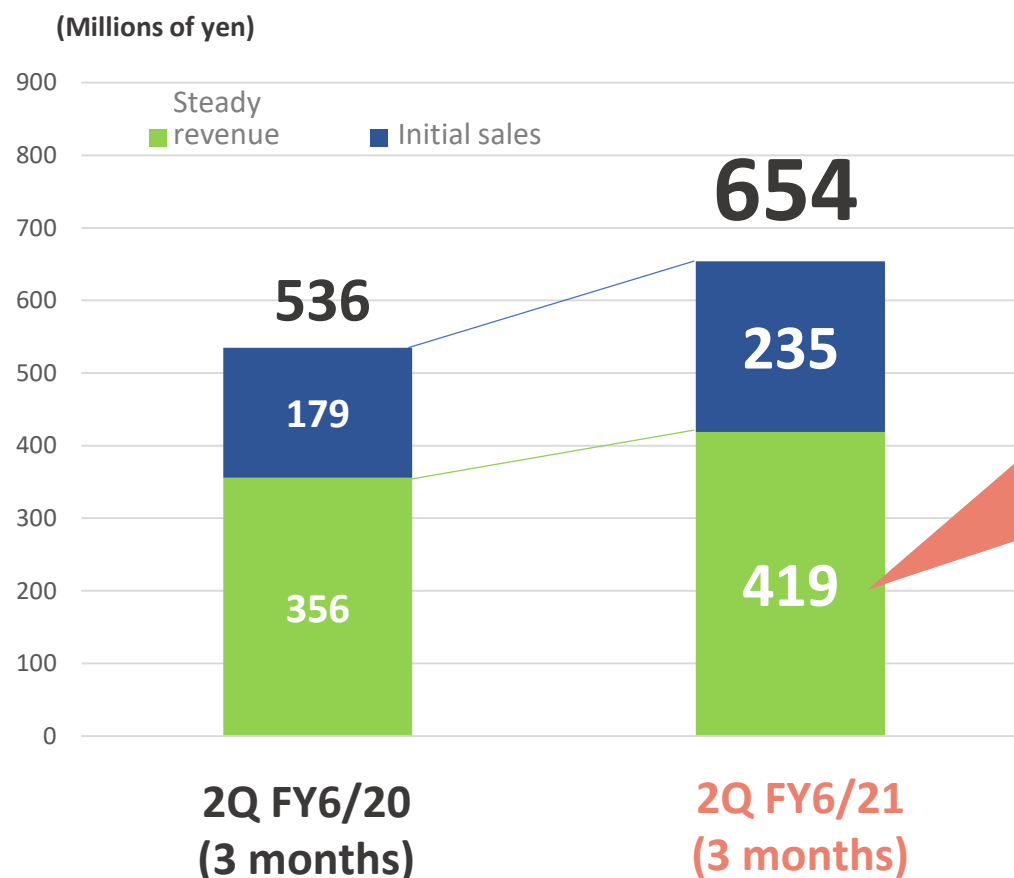
Low cancellation rate and increasing number of new customers



Achieved big increase in operating profit (+24.2% YoY)

(Millions of yen)	1H FY6/20 results	1H FY6/21 results	YoY change	Progress vs. initial plan
Net sales	1,181	1,302	+10.3%	50.8%
Gross profit	870	962	+10.6%	52.1%
Gross profit margin	73.7%	73.9%	+0.2pt	-
Operating profit	273	339	+24.2%	61.3%
Operating margin	23.1%	26.0%	+2.9pt	-
Ordinary profit	286	368	+28.8%	58.8%
Profit	187	256	+36.4%	62.2%

Big increase in steady-revenue from one year earlier



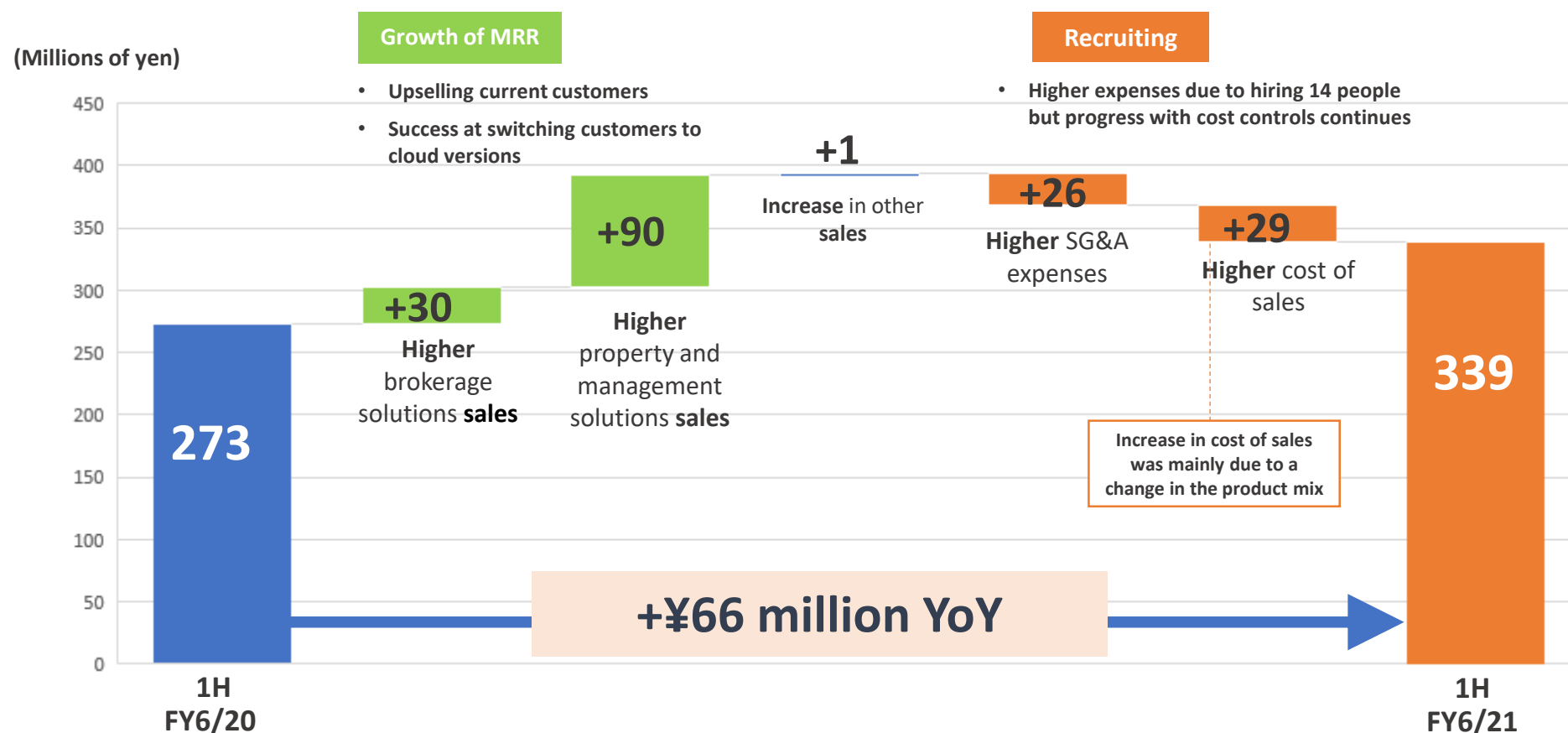
Sales activities produce growth

- Success at targeting DX demand
 - Increased the number of salespeople
 - Enlarged the lineup of products
 - Upselling current customers
- Successful cross-selling activities

Components of Change in Operating Profit

- Growth of monthly recurring revenue

- Hiring more people
- Operating profit: **¥339** million Operating margin: **26.0%**



Increasing Number of Customers

Progress with using the freemium model to attract prospective customers

More no-fee customers



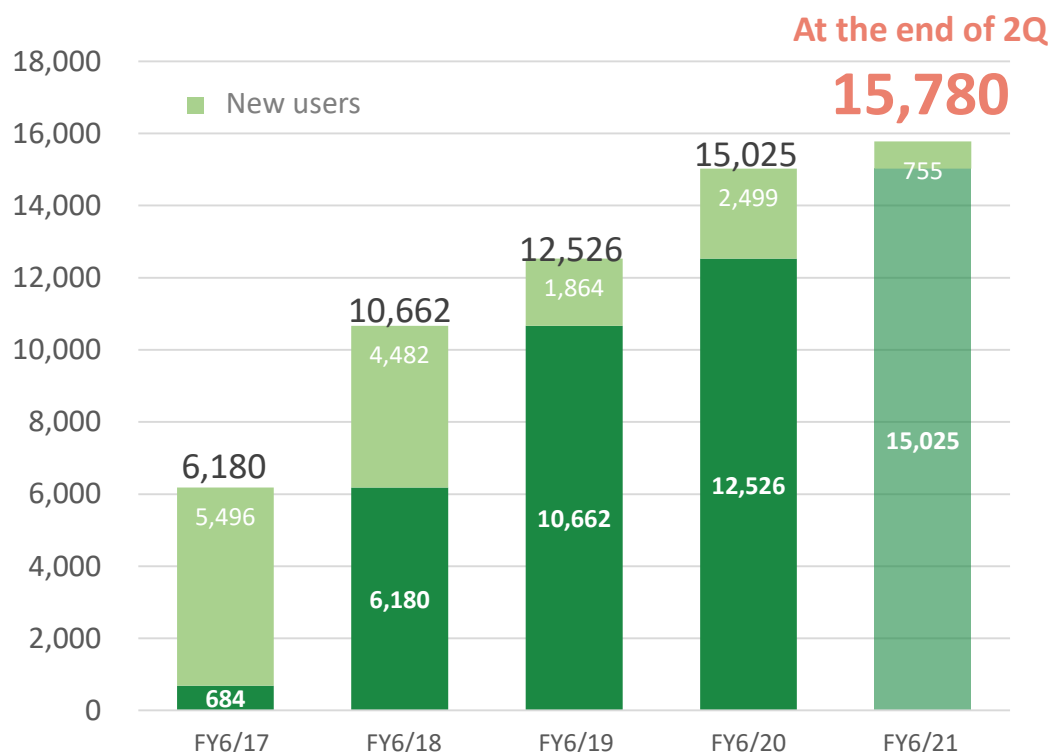
Increase value provided to users



B-to-B Property Listing Platform

Fudosan BB

■ Number of companies using Fudosan BB (B-to-B internet listing service)

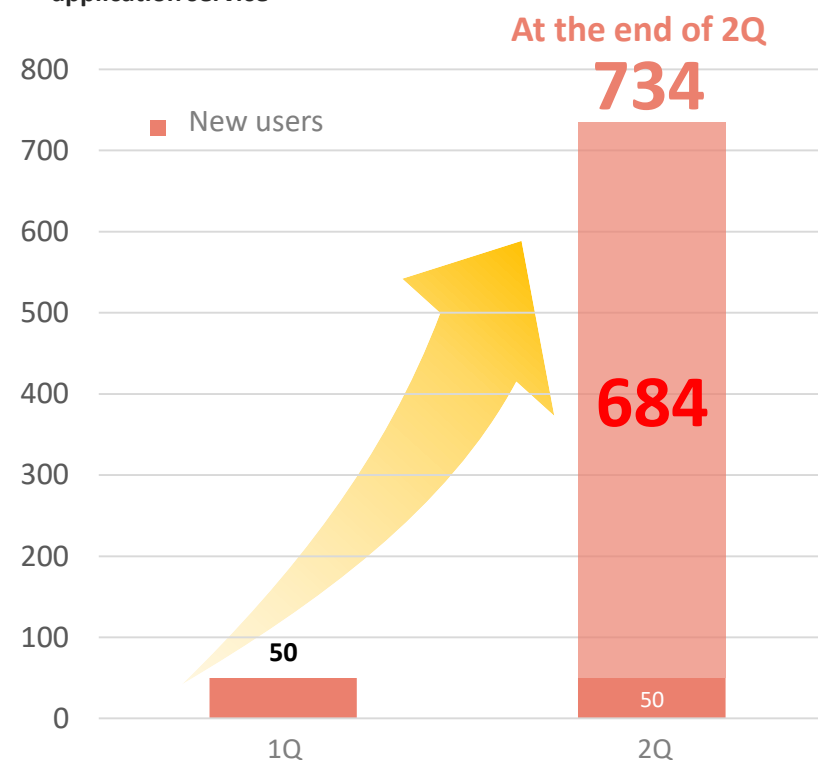


Electronic apartment application service

(An online service linked with Fudosan BB)

Aug. 2020 release

■ Growth in the number of companies using the electronic apartment application service

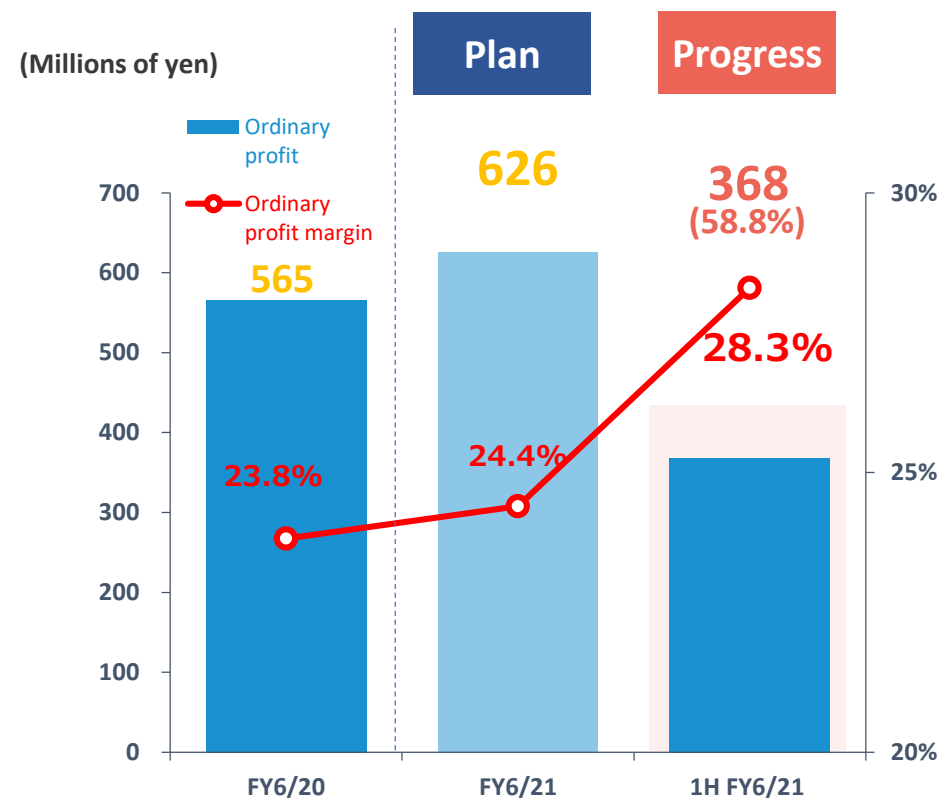
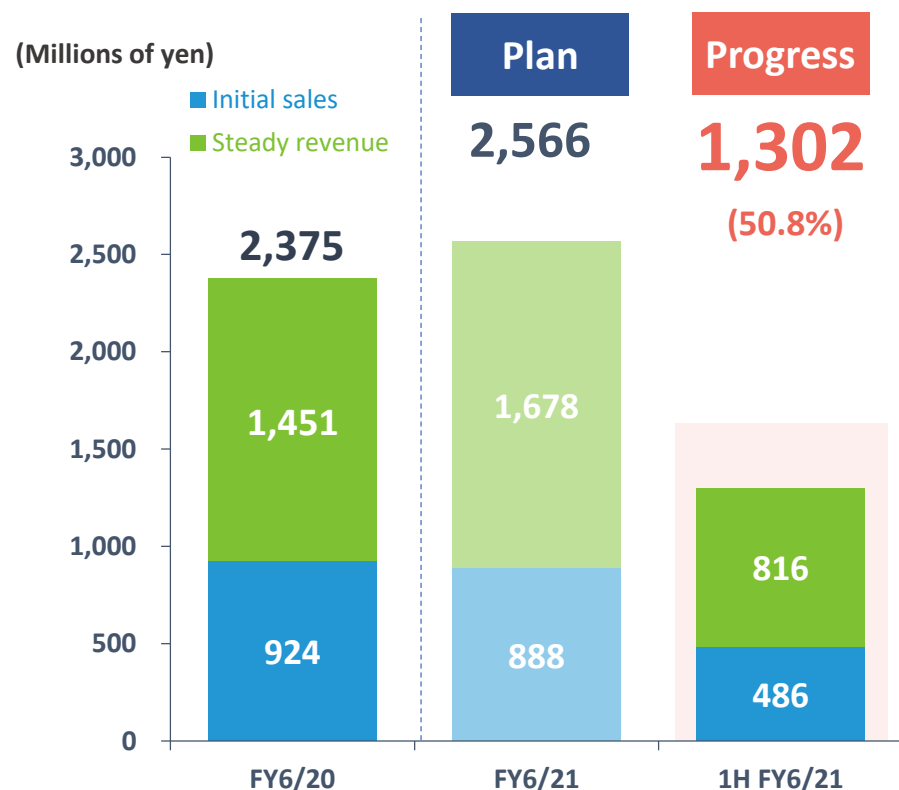


Sales and Earnings vs. the Fiscal Year Plan

Performance far ahead of the plan due to successful upselling activities

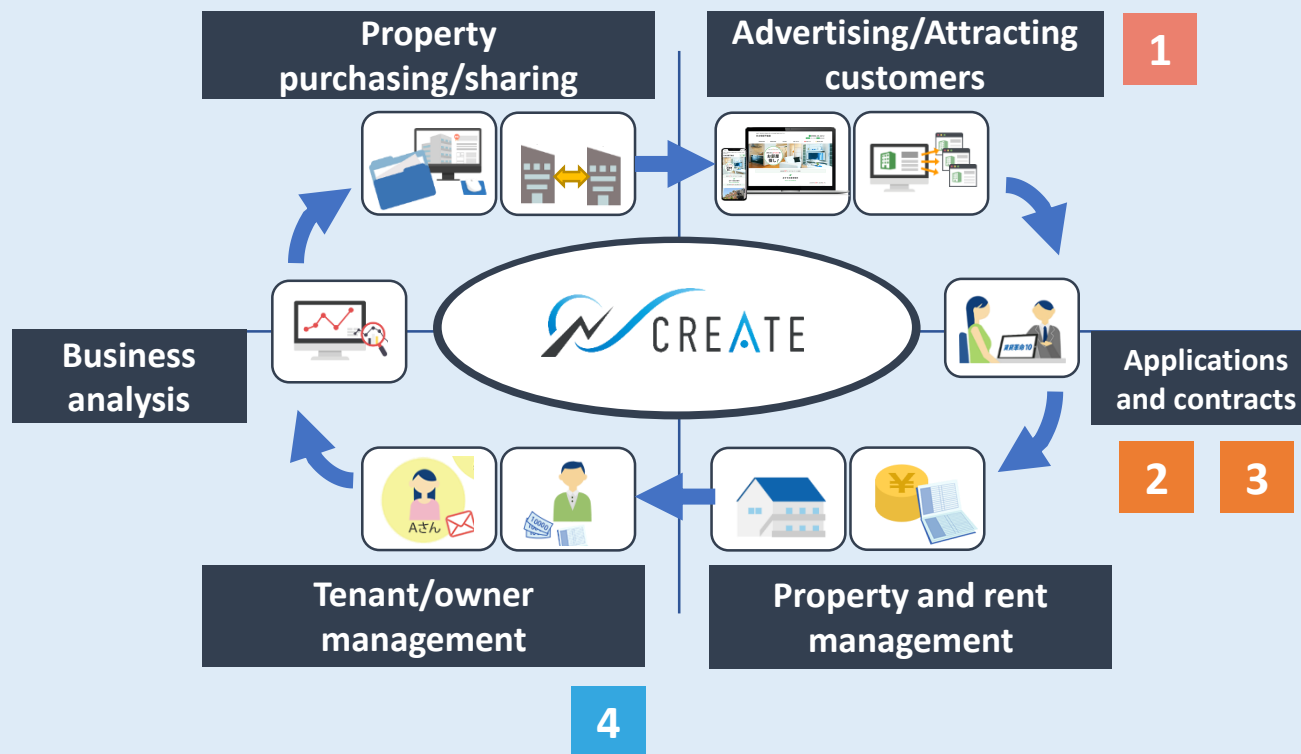
Planned FY6/21 sales **¥2,566 million**

Planned FY6/21 ordinary profit **¥626 million**



Activities to Increase the Value of Platforms

Four activities to increase the value



1 More real estate portal site links

Started a Chintai Smocca link

2 Service linked to Fudosan BB

Started an electronic apartment application service

3 New services reflecting amended laws

E-contract *Under development

4 Addition of the Chintai Kakumei option

Released owner app

Activities to Increase the Value of Platforms

1 More real estate portal site links

Started a Chintai Smocca link

This link, initiated in December 2020, allows receiving data directly from the Chintai Smocca website of ZIGExN Co., Ltd., which is used to search for residential rental properties.

2 Service linked to Fudosan BB

Started an electronic apartment application service

To increase the value of Fudosan BB, agreements for this service, released in August 2020, were quickly established with several companies and the number of business locations using this service is increasing rapidly.

No need to visit an office or use postal mail, a fax or a telephone!



Data links with rent guarantee companies

Digital documentation replaces fax/telephone communications for the guarantee approval process by real estate brokers and rent guarantee companies.

20 companies are using this service (Started Aug. 2020)

Data links with lifeline agents

Digital instead of fax transmission of tenant information and information received by tenants is directly passed on to agents. (Started Feb. 1, 2021)

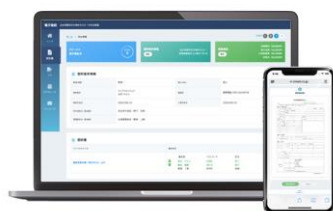
Agent fees are shared with real estate companies

Activities to Increase the Value of Platforms

3 New services reflecting amended laws

E-contract *Under development

An on-line contract system
E-contract



Significant interest is expected due to this proposed amendment

Nihon Jyoho Create is developing an e-contract service in order to provide the best possible interface for real estate companies. This will include seamless links with related Nihon Jyoho Create services.

For real estate rentals and transactions, explanation of important items and contracts can be performed online (including public tests under way). However, **procedures cannot be completed using electromagnetic media for explanations of important items (Article 35 documents) and contracts (Article 37 documents).** (Public tests are under way for rentals and are to begin in March 2021 for transactions.)

The Japanese government has agreed on the goal of allowing electromagnetic media for the completion of explanations of important items for real estate transactions. All proposed amendments are planned to be submitted during the ordinary 2021 Diet session.

4 Addition of the Chintai Kakumei option

Owner app



This app, launched in January 2021, reduces expenses for analog tasks by facilitating online owner reports. A chart function ensures efficient and reliable communications.



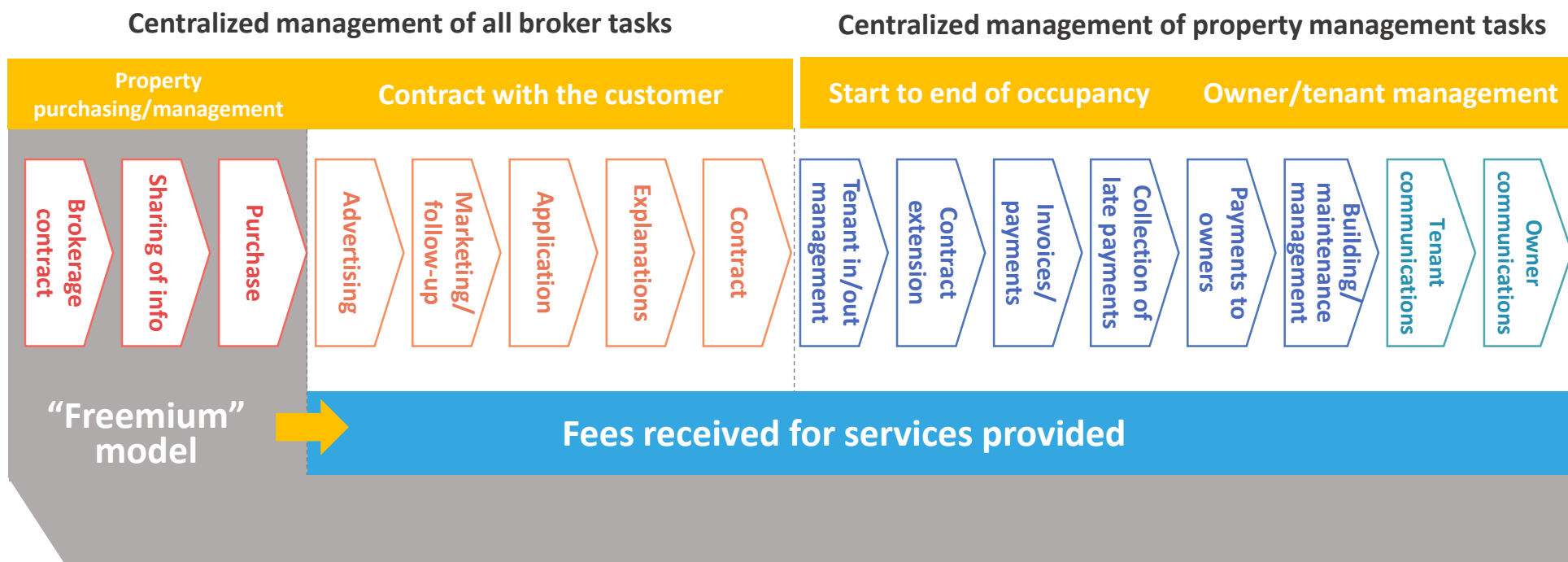
Activities for More Growth

Growth Backed by Our Innovative Platform

More fee-paying customers and growth of steady revenue

Use the DX to improve the productivity of the real estate industry

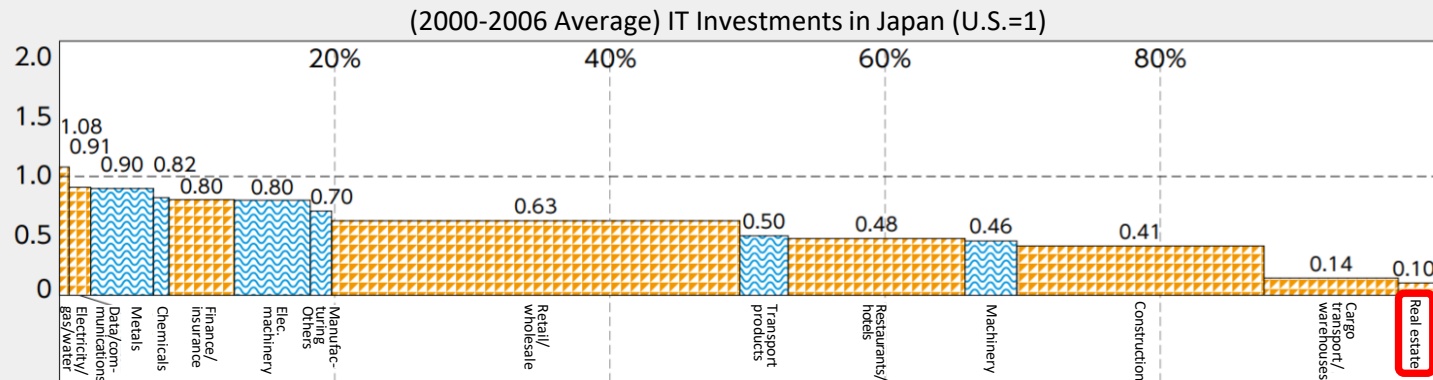
Improve productivity by supplying IT services for customers' business processes



Contribute to Improving Real Estate Industry Productivity

In Japan's real estate industry, IT investments are 10% and labor productivity is 40% of the levels in the U.S.

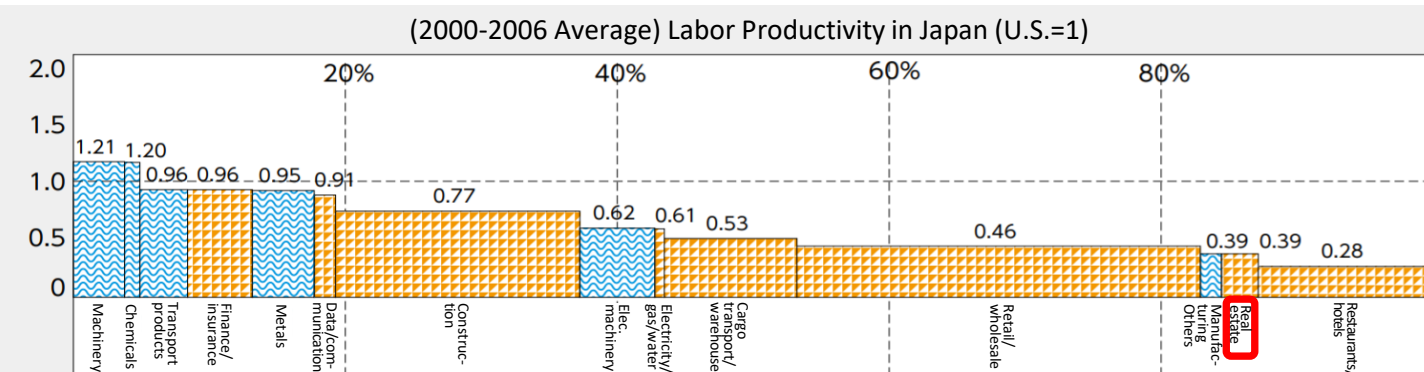
**IT investments
by industry
(U.S.=1, 2000-2006
average)**



Source: Ministry of Health, Labour and Welfare using data from the Groningen Growth and Development Center

Note: IT investments are based on manhours. Width shows the volume of labor used (working hours x number of workers).

**Labor
productivity
by industry
(U.S.=1, 2000-2006
average)**



Source: Ministry of Health, Labour and Welfare using data from the Groningen Growth and Development Center

Note: Labor productivity are based on manhours. Width shows the volume of labor used (working hours x number of workers).

Source: 2015 Analysis of Labor Economics (September 2015), Ministry of Health, Labour and Welfare

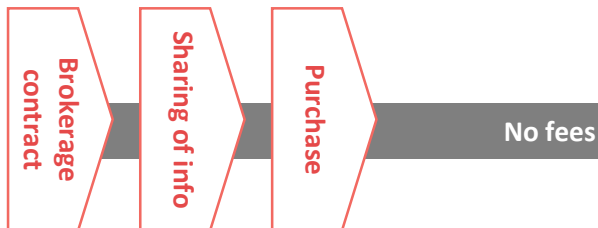
Productivity Improvement in the Real Estate Industry

- Property management to contract -



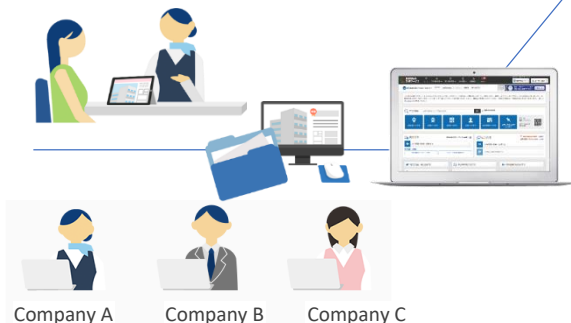
Improving efficiency (1)

Switching from telephone and fax to the internet speeds up receipt of property info and sharing info with other companies



B-to-B Property Listing Platform

Services are free for purchases and at the entrance point for transactions, such as sharing info, confirming vacancies and other tasks.



Improving efficiency (2)

- A specialized tool reduces time needed to produce and update websites
- A dedicated service registers property info on all real estate portal sites



Web Manager Pro



Property Data Links

Improving efficiency (3)

- Moving real estate transactions to the internet makes procedures more productive

Improving efficiency (4)

- Online real estate contracts replace paper documents and seals
- Better efficiency because there is no need for sending paper documents



Electronic apartment application service

Use of IT for explanations



E-contract
Under development

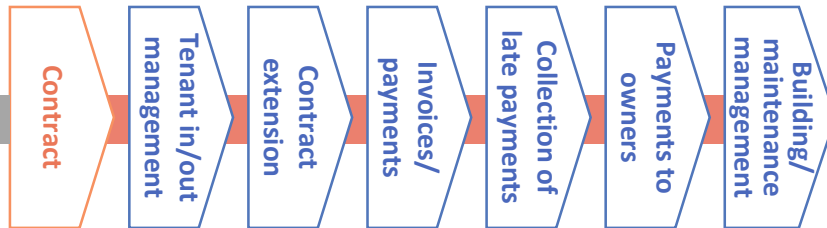


Productivity Improvement in the Real Estate Industry

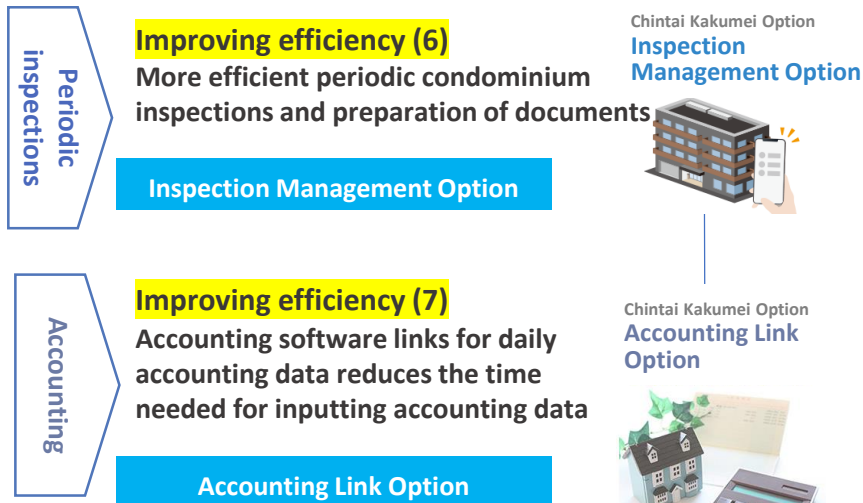
- Contract to final customer communications -

Improving efficiency (5)

- Higher efficiency by using specialized services for procedures between the contract to occupancy, collection of rent and payments to the owner, and all other tasks until the tenant leaves



Chintai Kakumei



Tenant communications

Improving efficiency (8)

Online communications with tenants eliminate the need for telephone and fax for contract extensions, maintenance/repair information and other activities



Tenant Communication Service

Owner communications

Improving efficiency (9)

Move to the internet monthly owner reports, postal mail procedures and other activities for communications with owners



Owner Communication Service

For company managers

Improving efficiency (10)

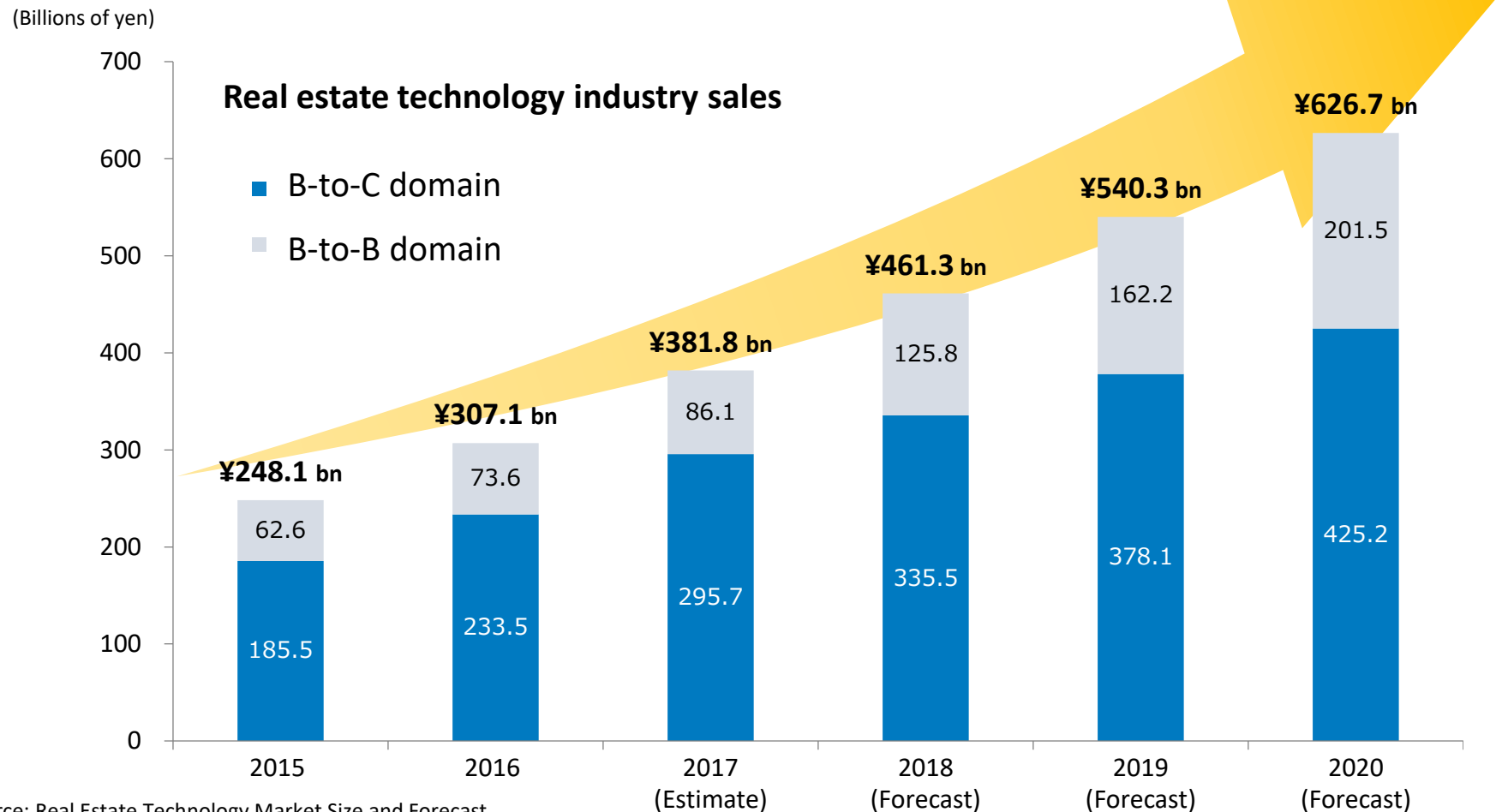
Visualization of performance indicators and more efficient analysis of data

Business Analysis Option *Under development*

Appendix

Japan's Growing Real Estate Technology Industry

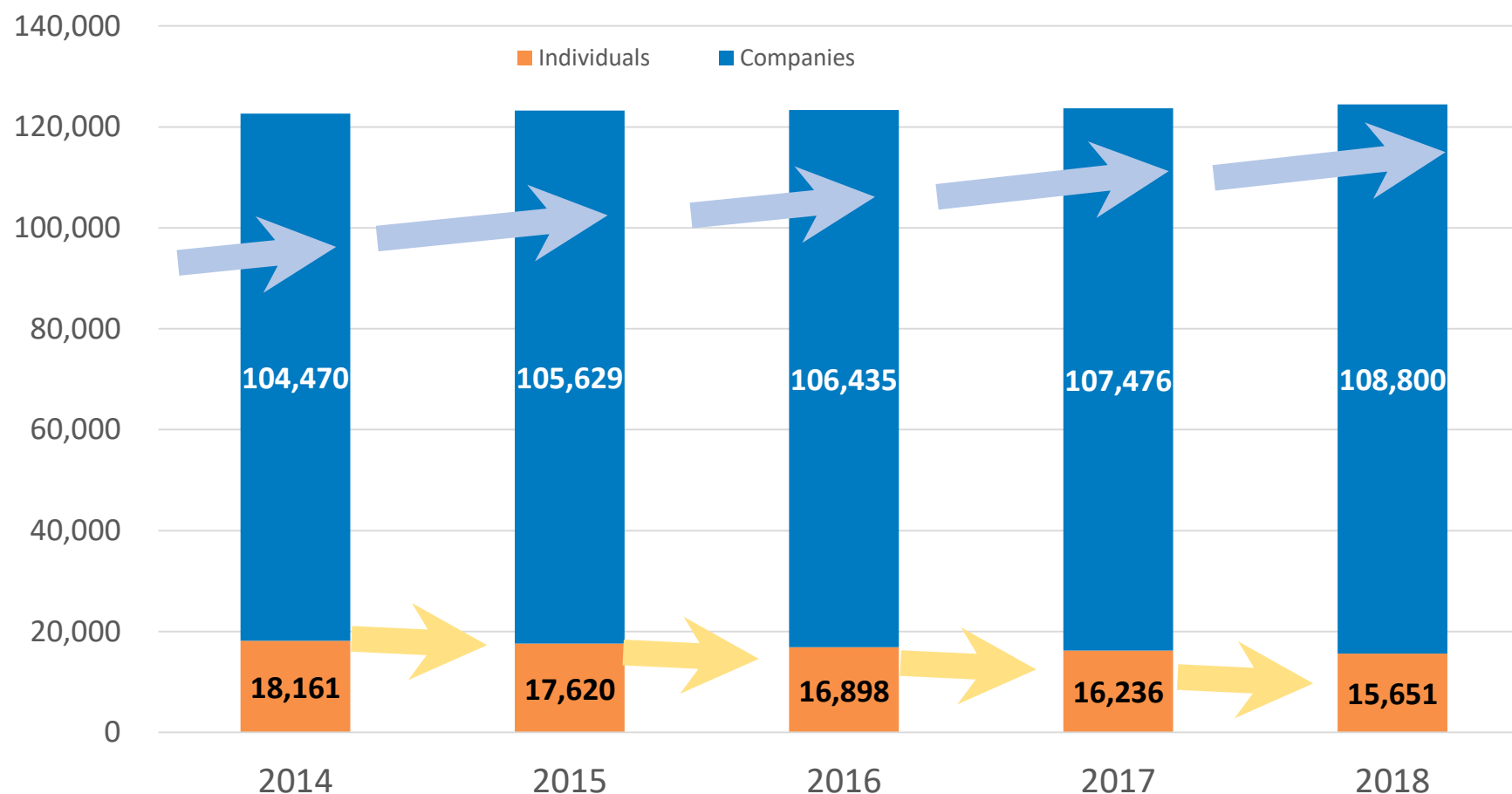
Rapid growth of Japan's real estate technology industry is expected, which will increase the need for the products of Nihon Jyoho Create



Source: Real Estate Technology Market Size and Forecast,
Yano Research Institute, November 28, 2018

Appendix - Business Environment - Homebuilders in Japan

The number of homebuilders has increased slightly, **remaining generally steady at about 120,000**
The number of companies is increasing and **the number of operations by individuals is decreasing**

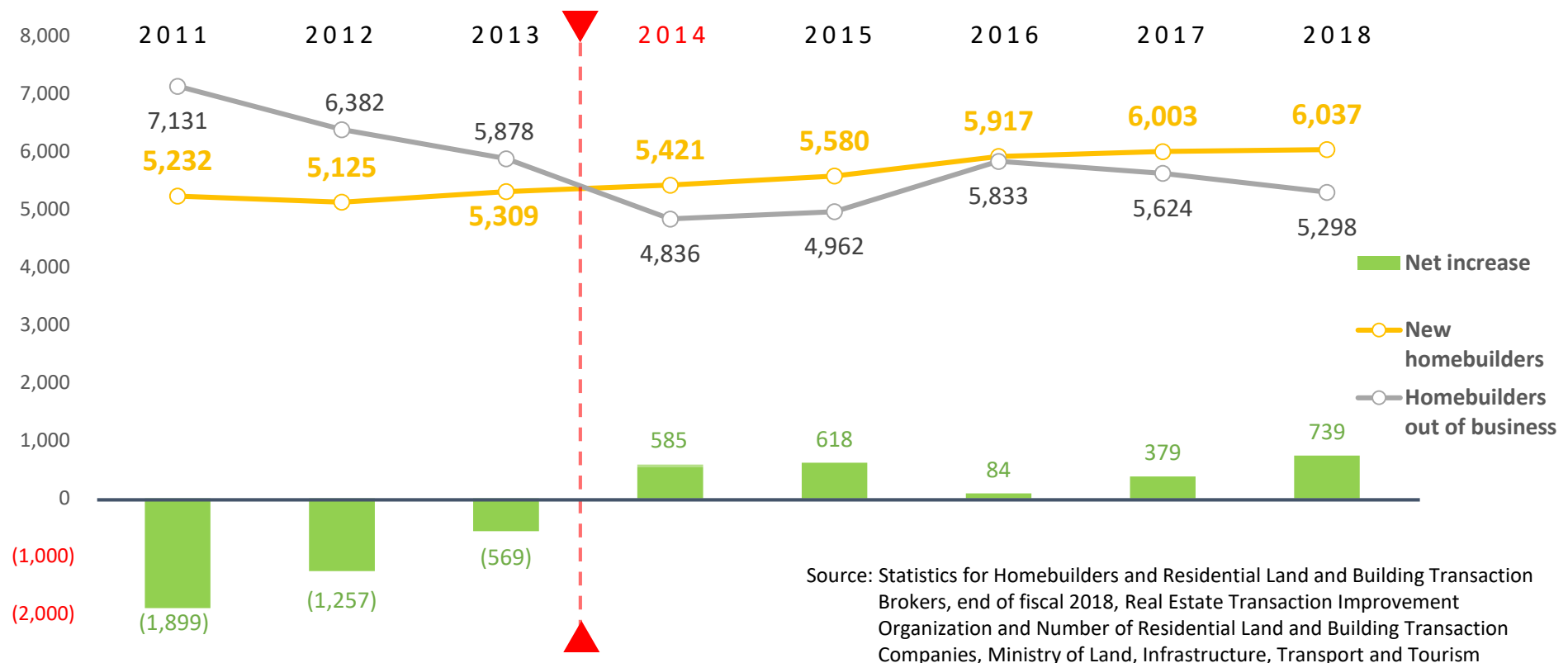


Source: Statistics for Homebuilders and Residential Land and Building Transaction Brokers, end of fiscal 2018,
Real Estate Transaction Improvement Organization

Change in Number of Homebuilders in Japan

More than 5,000 homebuilders are starting operations **every year**

The number of homebuilders is steady at about 120,000 as **new customers constantly replace previous ones**



Japanese Government Support for Digitalization

Many government actions for the digitalization of the real estate industry

1 Support for business owners to implement working style reforms

Measures to give people many choices for how to do their jobs, increase job opportunities, and create an environment where people are motivated and can achieve their full potential.



➡ **Chintai Kakumei is eligible for IT use subsidies and can contribute to improving efficiency (elimination of extended working hours).**



2 Increase the use of cashless transactions

The Japanese government aims to raise the share of cashless purchases from 18.4% in 2015 to 40% in 2025.



➡ **The number of real estate e-transactions (payments of security deposits and rent) is increasing and Nihon Jyoho Create is using e-transaction services using alliances with payment processors to play a role in the growth of cashless payments.**

3 Declaration of creating the world's most advanced IT nation

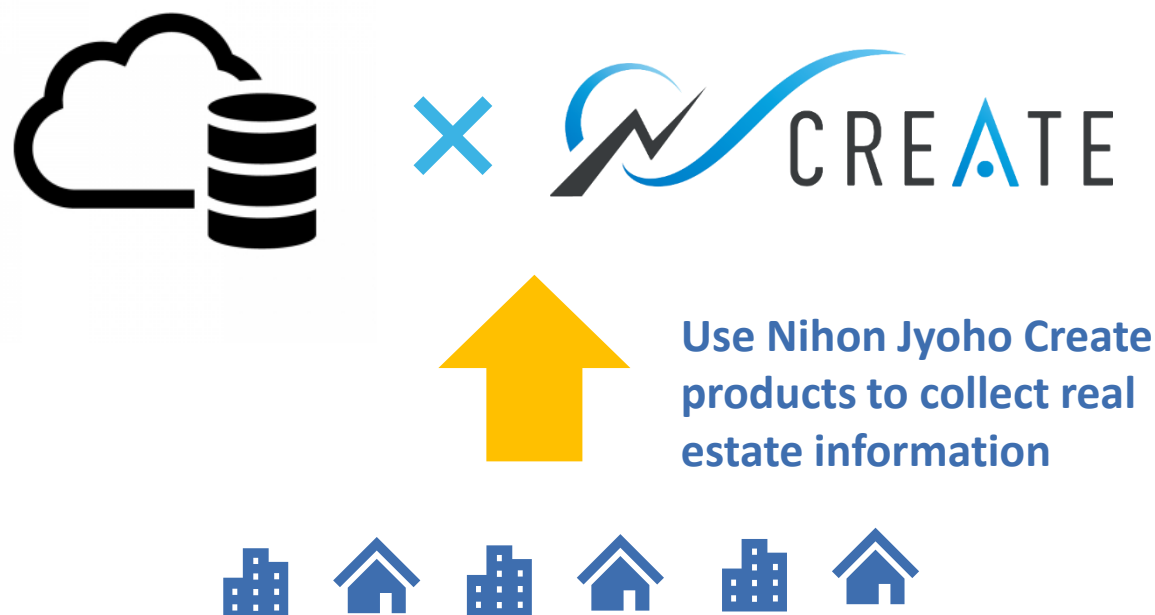
Create a digital society where people can live with confidence by using digital technologies and data utilization as well as enjoy fulfilling life styles.



➡ **Broker services with no face-to-face contact is a new real estate broker format proposed by Nihon Jyoho Create, using IT explanations and other measures that can make big contributions to improving efficiency.**

Appendix – Activities for More Growth - Create New Services That Use Big Data

Use Nihon Jyoho Create products to **collect enormous amounts of real estate information**
Create services with added value that **utilize big data**



Create new services

- Property database
- Detection of fraudulent properties
- Property input assistance
- Rent information in nearby areas
- Earnings forecasts for new stores
- Identify significant events and market trends and use this information to create proposals for owners, and other services

Appendix - Activities for More Growth - Management Support Linked with Business Support Services

Plan to start a management support service for business operators

Management
support

Management support services

Accounting, data utilization (under development), business matching, finance, and others



Business support services

**B-to-B Property
Listing Platform**
Fudosan BB



Real estate portal site registrations
Property Data Links



Web Manager Pro



**Chintai
Kakumei**



Business support

Appendix - Activities for More Growth -

Use Management Support to Provide a Broader Range of Support Services

Target current market trends for **the growth of brokerage business support services** and expand outward from business support services **to cover more categories of support services**

Add capabilities to cover a broader range of customers' business processes

Management support services

Accounting, use of data analysis (under development), other services

More customers

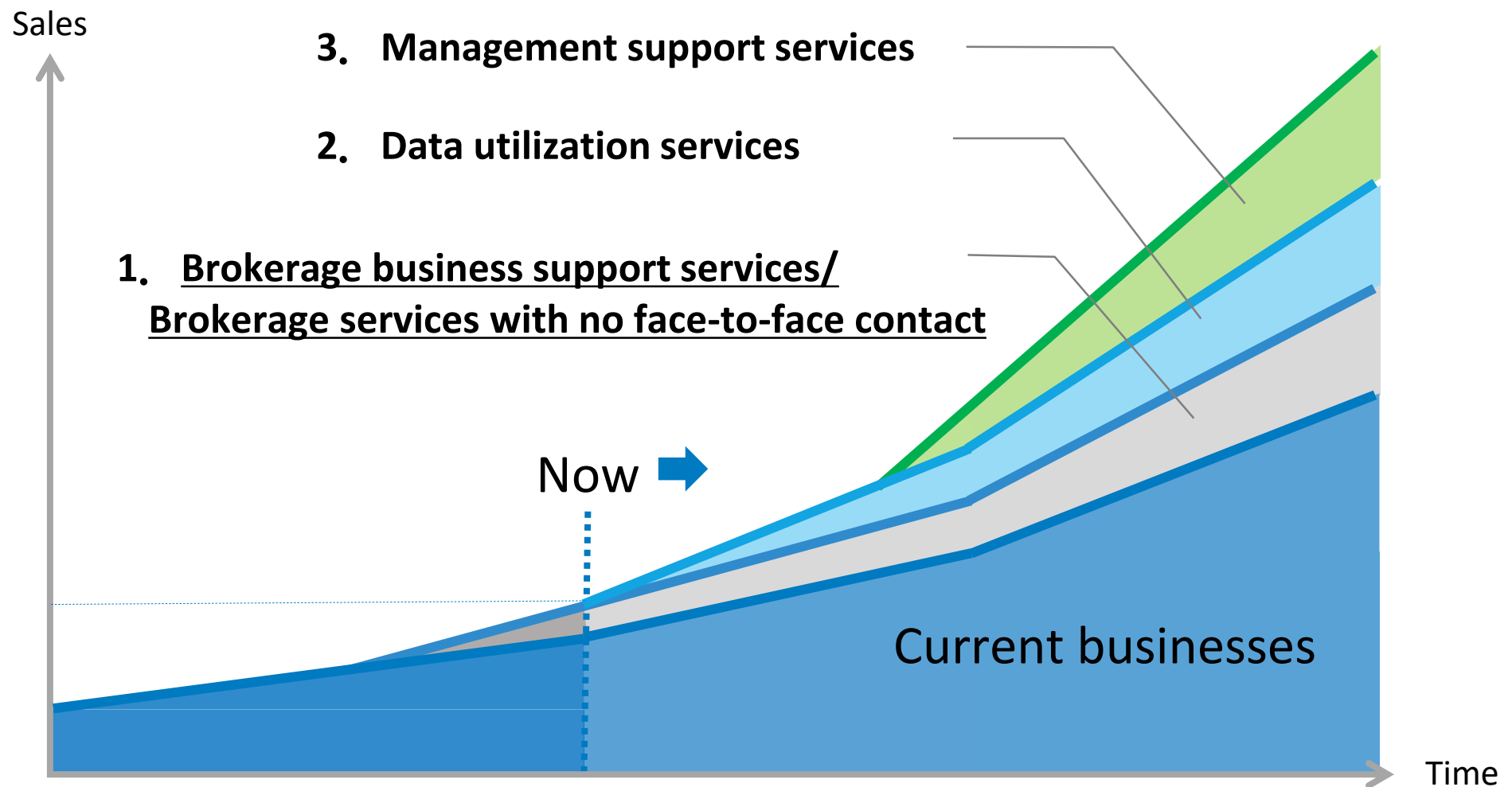
More monthly fees

Business support services

Current coverage (listings, brokerage, management, consumers)

Vision for Medium to Long-term Growth

Use the increasing number of **customers** in current businesses for **more growth driven by new businesses**



Appendix - Products and Services -

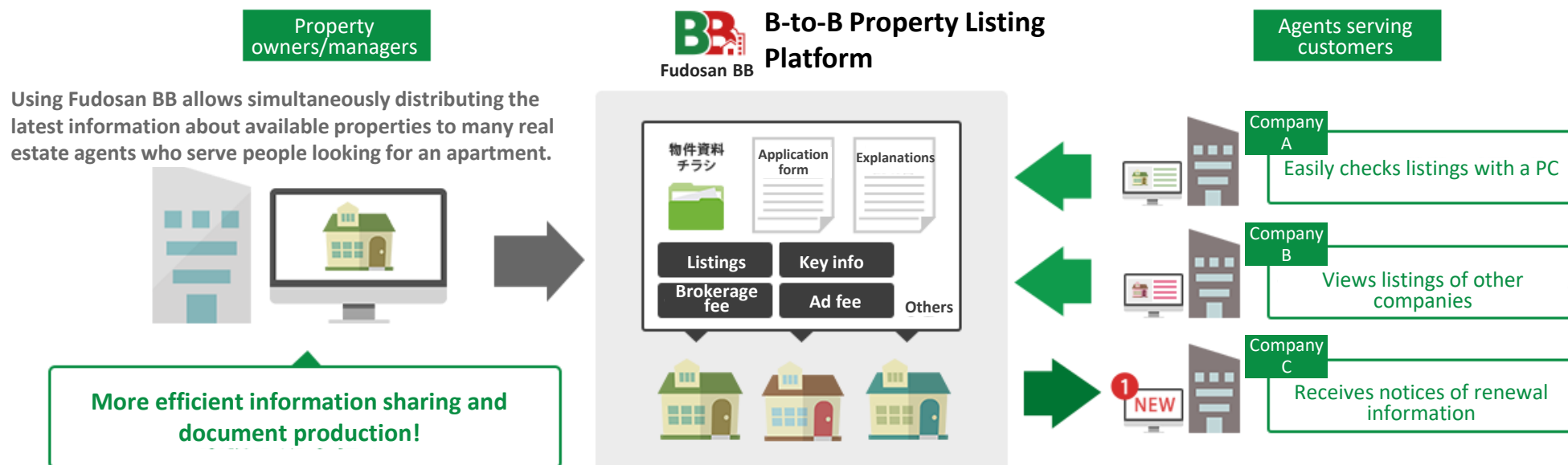
Fudosan BB – An Internet Platform for B-to-B Sharing of Property Listings

A **free** internet service for the **real-time sharing** among real estate agents **of their listings**



B-to-B Property Listing Platform

Fudosan BB allows real estate agents to view listings any time of the day, resulting in the more efficient sharing of information among property management companies and real estate brokers



Appendix - Products and Services - WebManagerPro Series



Real estate website production tool



WebManagerPro was created specifically to produce real estate websites designed to attract more customers. Many templates are available for the simple production of original websites.



- Compatible with mobile phones
- Responsive web design template
- Entry form optimization (EFO)
- Long tail optimization (LTO)
- SSL for secure internet communications
- Heat map function (optional)



Property listings registered on Fudosan BB are automatically listed on real estate websites, greatly improving the efficiency of inputting information about vacancies.

Appendix - Products and Services - Property Data Links

Real estate portal site registrations

Brokerage business support

B-to-B Property Listing Platform
Fudosan BB



Administration support

Chintai Kakumei
Baibai Kakumei



Real estate portal site registrations

Property Data Links



Suumo
スーモ suumo.jp

at home

LIFULL HOME'S

CHINTAI

ホームメイト

APAMAN

CENTURY 21

YAHOO! JAPAN 不動産

CHINTAI SMOCCA-ex
スモッカ

くらさぽ

This service can post property information registered on Fudosan BB, Chintai Kakumei and Baibai Kakumei simultaneously on many types of portal sites. Using this service saves time and prevents input errors because there is no need to use the input forms of each site.

Appendix - Products and Services - Chintai Kakumei 10



Centralizes every administrative task from tenant changes to rent

Seamless data linkage for B-to-B property listing sharing and support for brokerage business and consumers for all services

Chintai Kakumei

賃貸革命10



CLOUD



Centralized management of rent invoicing, collection and payment processing significantly reduces data processing errors and lost data.



Survey

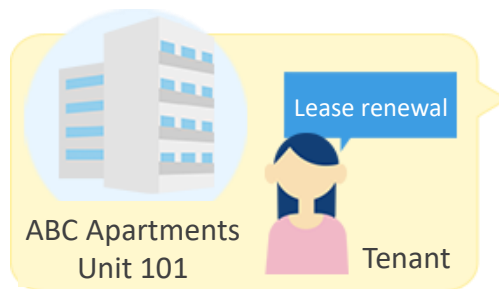
Based on perception of rental management systems of individuals nationwide between the ages of 20 and 59.

Date: May 2018

Method: Internet questionnaire

Appendix - Products and Services - Kurasapo Connect

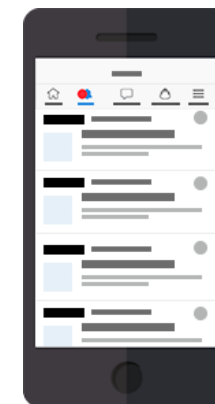
A smartphone app with a [link to Chintai Kakumei](#) for simple communications with tenants about late rent payments, lease renewals and other matters



Link with Chintai Kakumei facilitates easy management of property and tenant information



Chintai Kakumei



Notice of payment due

Notice of amount to pay

Kurasapo Connect make it easy to send notices of amounts due to tenants

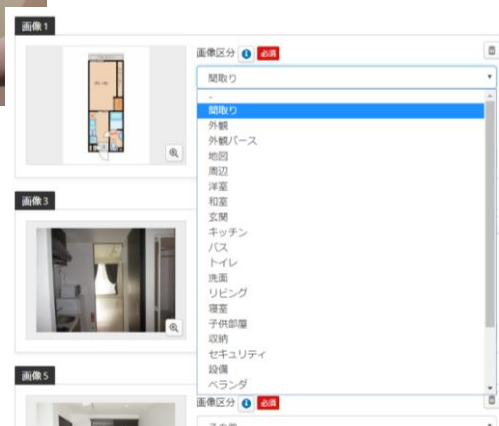
Appendix - Why Our Services Are Used Continuously - Constant System Updates that Incorporate the Latest Technologies

Using artificial intelligence to make business processes more efficient

Image recognition AI



AI engine judgments
of image sectors



Use a smartphone
app for the real-time
input of property
information in a
company's IT system

Image recognition AI



(Voice)

Vocal information input
using AI



Start of voice recognition

Select the items you to use.

With toilet

Two toilets

Separate bath/toilet

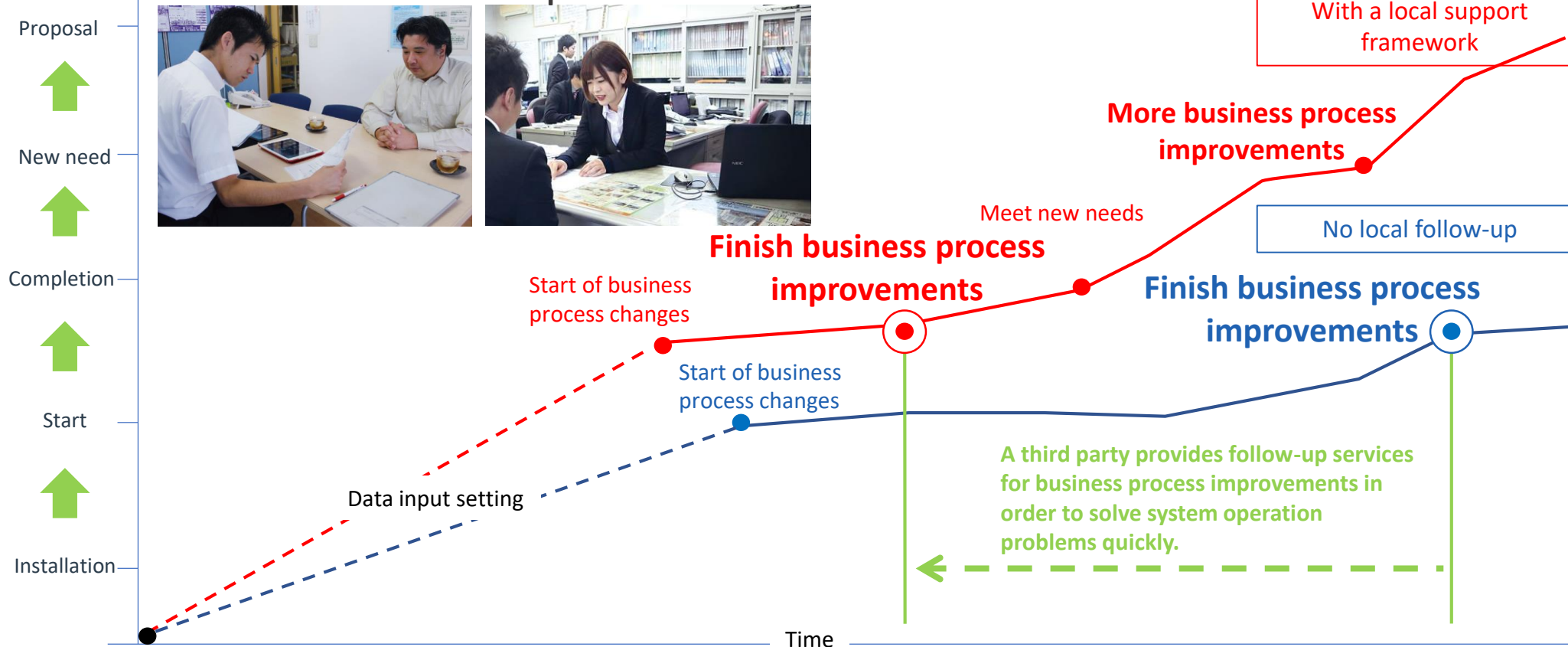
Separate bath/toilet

The AI engine vocally suggests suitable facilities

Appendix - Why Our Services Are Used Continuously - On-site Support for a Quick Launch of an IT System

Support from local service providers prevents delays in starting a system and quick measures to meet new needs, after confirming the company's business processes. This support also leads to the addition of new functions and other services.

Software utilization rate for business processes



A Fully Integrated Infrastructure Ensures Services of a Consistently High Quality

A fully integrated internal infrastructure for planning, development, sales and support services

Integrated operations create a powerful cycle of accumulating knowledge and using that know-how to further upgrade products and services



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Precautions Concerning Forward-looking Statements

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- Factors that could have an impact on actual performance may include changes in the economies of Japan and other countries, industries associated with NJC's business operations or other items. NJC has no obligation to update or revise the forward-looking statements in this presentation even if there is new information, a future event or any other reason for an update or revision.
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Dedicated to the happiness of
everyone we serve!



Nihon Jyoho Create Co., Ltd.