

**Non-consolidated Financial Results for the Third Quarter  
of the Fiscal Year Ending June 30, 2021  
(Nine Months Ended March 31, 2021)**



[Japanese GAAP]

May 14, 2021

Company name: Nihon Jyoho Create Co., Ltd. Listing: Tokyo Stock Exchange (Mothers)  
 Stock code: 4054 URL: <https://www.n-create.co.jp/>  
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Scheduled date of filing of Quarterly Report: May 14, 2021

Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: None

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

**1. Financial Results for the Third Quarter of the Fiscal Year Ending June 30, 2021  
(July 1, 2020 to March 31, 2021)**

(1) Results of operations (Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended Mar. 31, 2021	1,942	11.4	453	19.9	504	27.2	351	34.7
Nine months ended Mar. 31, 2020	1,743	-	378	-	396	-	260	-

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Mar. 31, 2021	25.94	24.71
Nine months ended Mar. 31, 2020	22.14	-

Notes: 1. Nihon Jyoho Create conducted a 10-for-1 common stock split on May 31, 2020 and a 2-for-1 common stock split on December 1, 2020. The amounts of net income per share and diluted net income per share were calculated as if these stock splits had taken place at the beginning of the fiscal year ended June 30, 2020.

2. Year-on-year changes for the nine months ended March 31, 2020 are not presented because the quarterly financial statements were not prepared in the nine months ended March 31, 2019.

3. The shares of Nihon Jyoho Create were listed on the Tokyo Stock Exchange Mothers market on July 31, 2020. As a result, diluted net income per share for the nine months ended March 31, 2021 is calculated by using the average stock price from the date of listing to the end of the third quarter of the fiscal year ending June 30, 2021 as the average stock price during the period.

**(2) Financial position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Mar. 31, 2021	4,054	2,853	70.4
As of Jun. 30, 2020	2,483	1,278	51.5

Reference: Shareholders' equity (millions of yen) As of Mar. 31, 2021: 2,853 As of Jun. 30, 2020: 1,278

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2020	-	0.00	-	0.00	0.00
Fiscal year ending Jun. 30, 2021	-	0.00	-	-	-
Fiscal year ending Jun. 30, 2021 (forecast)	-	-	-	5.00	5.00

Note: 1. Revisions to the most recently announced dividend forecast: Yes

**3. Earnings Forecast for the Fiscal Year Ending June 30, 2021 (July 1, 2020 to June 30, 2021)**

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,615	10.1	584	11.3	639	13.0	420	14.3	30.42

Note: Revisions to the most recently announced earnings forecast: Yes

**\* Notes**

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: Yes

(2) 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

(3) Number of shares outstanding (common shares)

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

As of Mar. 31, 2021:	13,814,440 shares	As of Jun. 30, 2020:	11,767,440 shares
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2) Number of treasury shares as of the end of the period

As of Mar. 31, 2021:	- shares	As of Jun. 30, 2020:	- shares
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3) Average number of outstanding shares during the period

Nine months ended Mar. 31, 2021:	13,533,298 shares	Nine months ended Mar. 31, 2020:	11,767,440 shares
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Note: Nihon Jyoho Create conducted a 10-for-1 common stock split on May 31, 2020 and a 2-for-1 common stock split on December 1, 2020. The number of outstanding shares as of the end of the period and the average number of outstanding shares during the period were calculated as if these stock splits had taken place at the beginning of the fiscal year ended June 30, 2020.

\* 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 Nihon Jyoho Create regarding future performance. Actual results may differ from these forecasts for various reasons.

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## 1. Qualitative Information on Quarterly Financial Performance

### (1) Explanation of Results of Operations

Forward-looking statements stated herein are based on the estimates and assumptions of Nihon Jyoho Create as of March 31, 2021.

During the nine-month period ended March 31, 2021, the economy of Japan continued to be in a difficult situation as influenced by the spread of COVID-19, while economic recovery is expected thanks to the effects of various political measures and the improvement of economy outside Japan. We, however, still need to keep eyes on the influences of fluctuations in the financial and capital markets, paying close attention to the impact to the domestic and global economy depending on the pandemic situation. Looking at the market of support to real estate businesses, there is increasing demand for IT-related capital investment such as teleworking under pandemic environment and digital transformation (DX) of real estate transactions. Nihon Jyoho Create provides IT solutions like SaaS-type cloud services to exactly respond to such market needs.

Under the circumstances, we have worked on the promotion of DX of the real estate industry as well as on the creation of platform as described in our medium-term vision.

As for the DX, we have promoted digitalization of real-estate operations through actively making proposals of “Fudosan BB”, the inter-agent platform for listings of rental properties that we provide free of charge, and “Electronic Rent Application” that enables rent applicant to complete application process on internet. We have also released “Kurasapo Connect Owner Application” to add further value to “Chintai Kakumei”, our comprehensive management system of rental properties, that realized electronic reporting of the managerial operations to property owners. Another release of “Business Analysis Option” is planned in June 2021 to support management of real estate agent. We will continue to drive DX of the industry by improving the value of existing products and by providing customers with high level of satisfaction.

As for creation of platform as our medium-term vision, we have expanded collaboration with potential partners such as rent guarantee companies and lifeline agents that we initiated in previous periods. We also started an alliance with TEPCO group PinT Inc. with the view to develop new solutions. We will accelerate creation of platform to best fit real estate industry together with our partners.

In April 2021, the company obtained METI’s Digital Transformation Certification, following its application in January. We understand that our past achievements as well as the current activities toward DX in the real estate industry and creation of platform have been acknowledged as valuable contribution to the society. With the sincere recognition of the importance of expectation and responsibility out of this certification, we are endeavoring to make social contribution by way of DX of the industry.

Under the COVID-19 pandemic, the number of cloud-based projects has been steadily growing to reflect the rising need for telework. This third quarter of January-March falls upon busiest period for real estate agents, and our business opportunities tend to slightly decline compared to other quarters. We were at first concerned about consequences of the pandemic as an exceptional event, but have been able to carry on our business activities almost in line with the operation plan.

The restriction around our sales activities have been overcome by making good use of such tools as video- and teleconference as before, and we have observed limited negative impact to our business operations.

Our results of operations for the first nine-month period from July 1st, 2020 to March 31, 2021 were as follows:

Net sales: 1,942 million yen, increase of 198 million yen (11.4%) over the same period last year

Operating profit: 453 million yen, increase of 75 million yen (19.9%) over the same period last year

Ordinary profit: 504 million yen, increase of 107 million yen (27.2%) over the same period last year

Profit for the period: 351 million yen, increase of 90 million yen (34.7%) over the same period last year

The performance by service category is as follows.

### **Solutions for Brokers**

We have actively made proposals of our tools and services such as promotion with own website, operation of web advertisement, and solutions related to real estate portal sites. We have also taken actions as a freemium strategy (see note) to increase values of our product by adding links of services with rent guarantee companies or lifeline agents to our “Electronic Rent Application” function of inter-agent platform that we currently provide free of charge. This has led to significant upselling, making the sales of this category to 630 million yen.

Note: business model in which basic services or products are provided free of charge, and a fee is charged for the use of more advanced functions or services.

### **Solutions for Property Management**

Both the sales to new and existing customers were strong. Earnings from monthly fees continued to increase as the result of promotions involving IT investment subsidies and of the demand for upgrading “Chintai Kakumei” to its cloud-based version. The sales of this category was 1,294 million yen.

\* In addition to above sales of 1,924 million yen from the Solutions for Brokers and the Solutions for Property Management, sales of 17 million yen was recorded from other activities.

## **(2) Explanation of Financial Position**

### **1) Assets**

Total assets at the end of the third quarter of the current fiscal year increased by 1,570 million yen from the end of the previous fiscal year to 4,054 million yen. The balance of current assets increased by 1,381 million yen from the end of the previous fiscal year to 3,194 million yen.

This is primarily attributable to an increase of 1,342 million yen in cash and deposits due to proceeds from issuance of shares.

### **2) Liabilities**

Total liabilities at the end of the third quarter were 1,200 million yen, about the same as at the end of the previous fiscal year.

### **3) Net assets**

Net assets at the end of the third quarter increased by 1,575 million yen from the end of the previous fiscal year to 2,853 million yen.

This is primarily attributable to an increase of 1,224 million yen in share capital and capital surplus due to the issuance of new shares.

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

The forecast for the fiscal year ending June 30, 2021 announced on August 12, 2020 has been revised based on the results of operations for the nine-month period of the current fiscal year and the current business climate.

For more details, please refer to the press release “Notice of Revisions to the Full-year Earnings and Dividend Forecasts” (Japanese version only) disclosed on May 14, 2021.

**2. Quarterly Non-consolidated Financial Statements and Notes****(1) Quarterly Non-consolidated Balance Sheet**

	(Thousands of yen)	
	FY6/20	Third quarter of FY6/21
	(As of Jun. 30, 2020)	(As of Mar. 31, 2021)
Assets		
Current assets		
Cash and deposits	1,408,164	2,750,623
Accounts receivable-trade	280,999	263,694
Merchandise	1,226	738
Work in process	4,992	5,745
Supplies	2,025	1,757
Other	123,626	179,887
Allowance for doubtful accounts	(8,845)	(8,297)
Total current assets	1,812,190	3,194,148
Non-current assets		
Property, plant and equipment		
Land	220,745	220,745
Other, net	192,172	205,756
Total property, plant and equipment	412,918	426,501
Intangible assets	66,783	195,846
Investments and other assets		
Other	233,128	277,730
Allowance for doubtful accounts	(41,155)	(39,901)
Total investments and other assets	191,972	237,828
Total non-current assets	671,673	860,176
Total assets	2,483,864	4,054,325

	(Thousands of yen)	
	FY6/20 (As of Jun. 30, 2020)	Third quarter of FY6/21 (As of Mar. 31, 2021)
Liabilities		
Current liabilities		
Accounts payable-trade	5,550	6,984
Income taxes payable	147,045	54,121
Advances received	693,841	846,104
Provision for bonuses	-	73,200
Provision for loss on order received	-	784
Other	351,867	213,031
Total current liabilities	1,198,305	1,194,225
Non-current liabilities		
Asset retirement obligations	4,321	4,804
Other	3,084	1,927
Total non-current liabilities	7,405	6,732
Total liabilities	1,205,711	1,200,958
Net assets		
Shareholders' equity		
Share capital	74,395	686,448
Capital surplus	44,395	656,448
Retained earnings	1,159,371	1,510,371
Total shareholders' equity	1,278,161	2,853,267
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(8)	99
Total valuation and translation adjustments	(8)	99
Total net assets	1,278,153	2,853,367
Total liabilities and net assets	2,483,864	4,054,325

**(2) Quarterly Non-consolidated Statement of Income**  
**(For the Nine-month Period)**

	(Thousands of yen)	
	First nine months of FY6/20 (Jul. 1, 2019 – Mar. 31, 2020)	First nine months of FY6/21 (Jul. 1, 2020 – Mar. 31, 2021)
Net sales	1,743,669	1,942,099
Cost of sales	461,667	523,314
Gross profit	1,282,002	1,418,785
Selling, general and administrative expenses	903,466	965,026
Operating profit	378,535	453,758
Non-operating income		
Interest income	29	24
Interest on securities	3,866	-
Dividend income	12	12
Commission income	5,291	6,437
Insurance return	3,867	57,274
Gain on sales of investment securities	4,406	-
Other	1,407	2,326
Total non-operating income	18,881	66,075
Non-operating expenses		
Going public expenses	-	14,519
Foreign exchange losses	641	625
Other	-	0
Total non-operating expenses	641	15,145
Ordinary profit	396,775	504,689
Extraordinary income		
Gain on sales of property, plant and equipment	58	8
Total extraordinary income	58	8
Extraordinary losses		
Loss on retirement of property, plant and equipment	15	32
Total extraordinary losses	15	32
Profit before income taxes	396,817	504,665
Income taxes	136,289	153,665
Profit	260,528	351,000



### **(3) Notes to Quarterly Non-consolidated Financial Statements**

#### **Going Concern Assumption**

Not applicable.

#### **Significant Changes in Shareholders' Equity**

First nine months of FY6/20 (July 1, 2019 to March 31, 2020)

1. Dividends paid

Not applicable.

2. Dividends whose record date falls in the first nine months of FY6/20 but effective date is after the end of the third quarter of FY6/20

Not applicable.

3. Significant change in shareholders' equity

Not applicable.

First nine months of FY6/21 (July 1, 2020 to March 31, 2021)

1. Dividends paid

Not applicable.

2. Dividends whose record date falls in the first nine months of FY6/21 but effective date is after the end of the third quarter of FY6/21

Not applicable.

3. Significant changes in shareholders' equity

The shares of Nihon Jyoho Create were listed on the Tokyo Stock Exchange Mothers market on July 31, 2020. This listing was accompanied by a public offering of newly issued stock with a payment date of July 30. After the listing, newly issued stock was sold through a third-party allotment on August 31. As a result, share capital and capital surplus increased 612 million yen each during the first three months of the current fiscal year. As of the end of the third quarter, share capital was 686 million yen and capital surplus was 656 million yen.

#### **Application of Special Accounting Methods for Preparing Quarterly Non-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.

*This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments) that has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*