

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 7, 2023

Company name: PROPERTY AGENT Inc.
 Stock exchange listing: Tokyo
 Stock code: 3464 URL <http://www.propertyagent.co.jp>
 Representative: CEO Sei Nakanishi
 Inquiries: CFO Koji Iwase TEL 03-6302-3627
 Scheduled date to file Quarterly Securities Report: February 7, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	25,884	15.6	2,266	48.0	2,032	55.2	1,295	50.3
Nine months ended December 31, 2021	22,382	–	1,531	–	1,309	–	861	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	177.26	176.35
Nine months ended December 31, 2021	118.16	117.34

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	40,546	9,275	22.7
As of March 31, 2022	31,982	8,220	25.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	0.00	–	27.00	27.00
Year ending March 31, 2023	–	0.00	–		
Year ending March 31, 2023 (Forecast)				40.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	38,000	8.0	2,850	29.0	2,500	30.3	1,540	26.5	210.94

4. Notes

(1) Changes in significant subsidiaries during the nine months ended December 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly included: One company (CB Lab inc.) , Excluded: –

(2) Application of special accounting methods for preparing quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2022	7,311,000 shares	As of March 31, 2022	7,307,600 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	20,477 shares	As of March 31, 2022	688 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	7,307,008 shares	Nine months ended December 31, 2021	7,292,145 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	7,908,014	6,348,655
Accounts receivable - trade	176,710	278,532
Merchandise	13,935	2,147
Real estate for sale	9,427,375	16,445,251
Real estate for sale in process	12,511,023	15,430,360
Work in process	2,766	15,466
Other	551,288	561,099
Allowance for doubtful accounts	(6,171)	(5,315)
Total current assets	30,584,942	39,076,198
Non-current assets		
Property, plant and equipment	185,822	170,534
Intangible assets	353,167	369,044
Investments and other assets		
Other	1,006,990	1,079,524
Allowance for doubtful accounts	(148,604)	(148,604)
Total investments and other assets	858,386	930,920
Total non-current assets	1,397,377	1,470,498
Total assets	31,982,320	40,546,697
Liabilities		
Current liabilities		
Accounts payable - trade	1,172,402	1,005,466
Short-term borrowings	4,272,292	8,564,790
Current portion of bonds payable	468,000	468,000
Current portion of long-term borrowings	2,291,001	7,481,339
Income taxes payable	510,310	356,067
Provision for bonuses	55,535	12,637
Provision for bonuses for directors (and other officers)	67,000	—
Provision for costs after sales	47,526	70,392
Other	1,738,598	1,827,134
Total current liabilities	10,622,667	19,785,827
Non-current liabilities		
Bonds payable	770,000	716,000
Long-term borrowings	12,256,952	10,639,746
Other	112,264	129,856
Total non-current liabilities	13,139,216	11,485,602
Total liabilities	23,761,883	31,271,429

	(Thousands of yen)	
	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	616,119	617,249
Capital surplus	534,223	535,927
Retained earnings	6,907,163	8,005,095
Treasury shares	(502)	(24,468)
Total shareholders' equity	8,057,003	9,133,805
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	81,447	52,374
Total accumulated other comprehensive income	81,447	52,374
Share acquisition rights	7,301	7,568
Non-controlling interests	74,683	81,518
Total net assets	8,220,436	9,275,267
Total liabilities and net assets	31,982,320	40,546,697

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	22,382,445	25,884,292
Cost of sales	18,540,645	20,728,779
Gross profit	3,841,800	5,155,512
Selling, general and administrative expenses	2,310,256	2,889,147
Operating profit	1,531,544	2,266,364
Non-operating income		
Interest income	29	77
Dividend income	2,914	3,700
Commission income	1,174	1,326
Penalty income	6,290	706
Subsidies for employment adjustment	—	13,804
Other	93	6,750
Total non-operating income	10,501	26,365
Non-operating expenses		
Interest expenses	169,586	200,879
Commission expenses	54,749	52,826
Other	8,117	6,539
Total non-operating expenses	232,452	260,245
Ordinary profit	1,309,592	2,032,484
Profit before income taxes	1,309,592	2,032,484
Income taxes - current	429,413	711,520
Income taxes - deferred	22,493	18,336
Total income taxes	451,906	729,856
Profit	857,686	1,302,627
Profit (loss) attributable to non-controlling interests	(3,920)	7,408
Profit attributable to owners of parent	861,606	1,295,219

Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	857,686	1,302,627
Other comprehensive income		
Valuation difference on available-for-sale securities	90,898	(29,073)
Total other comprehensive income	90,898	(29,073)
Comprehensive income	948,584	1,273,554
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	952,504	1,266,146
Comprehensive income attributable to non-controlling interests	(3,920)	7,408