

This translation is prepared and provided for readers' convenience only. This summary does not constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on these statements. In the event of any discrepancy between the Japanese and English versions, the Japanese version shall prevail.

February 5, 2024

Non-Consolidated Financial Results for the Nine Months Ended December 31, 2023 (under Japanese GAAP)

Company name: CENTURY 21 REAL ESTATE OF JAPAN LTD. Listing: Tokyo Stock Exchange
 Securities code: 8898 URL: <https://www.century21japan.co.jp/en/>
 Representative: Yoichi Sonoda, Representative Director, President and CEO
 Contact: Minoru Araki, Director, Executive Officer, General Manager of Corporate Management Division
 Phone: +81-3-3497-0021
 Scheduled date to file Quarterly Securities Report: February 13, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary materials on quarterly financial results: None
 Holding of quarterly financial results briefing: None

Note: Amounts are rounded down to the nearest million yen.

1. Financial Results for the Nine Months Ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Operating results		(Percentages indicate year-on-year changes.)						
	Operating revenue		Operating profit		Ordinary profit		Net income	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2023	2,870	2.8	770	12.9	796	11.9	536	11.0
December 31, 2022	2,793	(0.4)	682	(5.2)	711	(4.9)	483	(16.2)

	Basic earnings per share		Diluted earnings per share	
Nine months ended	Yen		Yen	
December 31, 2023	51.48		–	
December 31, 2022	46.38		–	

(2) Financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	7,456	6,378	85.5
March 31, 2023	7,726	6,312	81.7

Reference: Equity (Shareholders' equity + Valuation and translation adjustments):

As of December 31, 2023: ¥6,378 million

As of March 31, 2023: ¥6,312 million

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
Fiscal year	Yen	Yen	Yen	Yen	Yen
Ended March 31, 2023	–	20.00	–	25.00	45.00
Ending March 31, 2024	–	20.00	–		
Fiscal year				25.00	45.00
Ending March 31, 2024 (forecast)					

Note: Revisions to dividend forecast published most recently: None

3. Earnings Forecast for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Net income		Basic earnings per share
Fiscal year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	3,923	3.3	927	5.9	971	4.9	660	1.2	63.33

Note: Revisions to earnings forecast published most recently: None

*** Notes**

(1) Application of accounting methods used specifically for preparing the quarterly financial statements: Yes

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

- | | |
|---|------|
| 1) Changes in accounting policies due to revisions to accounting standards and other regulations: | None |
| 2) Changes in accounting policies other than 1) above: | None |
| 3) Changes in accounting estimates: | None |
| 4) Restatements: | None |

(3) Number of shares issued (common stock)

1) Number of shares issued (including treasury shares):

As of December 31, 2023:	11,325,000 shares
As of March 31, 2023:	11,325,000 shares

2) Number of treasury shares:

As of December 31, 2023:	902,702 shares
As of March 31, 2023:	902,642 shares

3) Average number of shares outstanding:

Nine months ended December 31, 2023:	10,422,344 shares
Nine months ended December 31, 2022:	10,422,372 shares

* This quarterly financial results report is not subject to quarterly review procedures to be performed by certified public accountants or an audit firm.

* Notes to proper use of earnings forecast and other special matters

The forward-looking statements including earnings forecast contained in this report are based on information currently available to us and certain assumptions that we believe are reasonable. Actual results may therefore differ significantly from those anticipated in any forward-looking statements due to numerous factors.

Contents of Attached Materials

1. Quarterly Financial Statements and Notes	2
(1) Quarterly balance sheet.....	2
(2) Quarterly statement of income	3
(3) Notes to quarterly financial statements	4
(Going concern assumption)	4
(Significant changes in shareholders' equity).....	4
(Application of accounting methods used specifically for preparing the quarterly financial statements)	4
(Material subsequent events)	4
2. Supplementary Information.....	5
Status of production, orders received and sales activities	5

1. Quarterly Financial Statements and Notes

(1) Quarterly balance sheet

(Thousands of yen)

	Previous fiscal year (As of March 31, 2023)	Current quarter (As of December 31, 2023)
Assets		
Current assets:		
Cash and deposits	1,900,277	1,837,814
Trade accounts receivable	501,235	424,886
Securities	3,200,000	3,200,000
Other	78,039	172,571
Allowance for doubtful accounts	(48,514)	(32,316)
Total current assets	5,631,038	5,602,956
Non-current assets:		
Property, plant and equipment	123,638	112,779
Intangible assets:		
Software	742,024	582,976
Other	6,298	25,731
Total intangible assets	748,323	608,708
Investments and other assets:		
Investment securities	791,250	790,000
Other	468,216	414,214
Allowance for doubtful accounts	(35,854)	(71,840)
Total investments and other assets	1,223,611	1,132,373
Total non-current assets	2,095,574	1,853,862
Total assets	7,726,613	7,456,818
Liabilities		
Current liabilities:		
Trade accounts payable	159,770	152,506
Income taxes payable	203,471	125,392
Provision for bonuses	87,010	40,000
Other	786,265	588,284
Total current liabilities	1,236,517	906,183
Non-current liabilities:		
Provision for retirement benefits	147,707	143,196
Provision for renovation warranties	27,839	26,298
Asset retirement obligations	2,400	2,400
Total non-current liabilities	177,946	171,894
Total liabilities	1,414,464	1,078,078
Net assets		
Shareholders' equity:		
Share capital	517,750	517,750
Capital surplus	168,570	168,570
Retained earnings	6,059,605	6,127,127
Treasury shares	(698,873)	(698,937)
Total shareholders' equity	6,047,052	6,114,510
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	265,097	264,229
Total valuation and translation adjustments	265,097	264,229
Total net assets	6,312,149	6,378,740
Total liabilities and net assets	7,726,613	7,456,818

(2) Quarterly statement of income

(Thousands of yen)

	Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Operating revenue	2,793,566	2,870,963
Operating costs	712,428	701,221
Operating gross profit	2,081,137	2,169,742
Selling, general and administrative expenses	1,398,630	1,399,360
Operating profit	682,507	770,382
Non-operating income:		
Interest income	352	428
Dividend income	15,622	14,625
Administrative service fee income	10,231	8,598
Compensation for delay damages	2,301	308
Other	2,960	2,520
Total non-operating income	31,468	26,480
Non-operating expenses:		
Interest expenses	34	8
Foreign exchange losses	2,068	540
Other	—	0
Total non-operating expenses	2,102	548
Ordinary profit	711,872	796,314
Extraordinary losses:		
Loss on retirement of property, plant and equipment	1,635	—
Total extraordinary losses	1,635	—
Profit before income taxes	710,237	796,314
Income taxes	226,856	259,786
Net income	483,380	536,528

(3) Notes to quarterly financial statements

(Going concern assumption)

Not applicable.

(Significant changes in shareholders' equity)

Not applicable.

(Application of accounting methods used specifically for preparing the quarterly financial statements)

(Calculation of tax expenses)

Tax expenses are calculated by multiplying profit before income taxes by the effective tax rate, which is reasonably estimated by applying the tax effect accounting to profit before income taxes for the current fiscal year.

(Material subsequent events)

The Company resolved at the Board of Directors meeting held on February 5, 2024 to repurchase its own shares pursuant to Article 156 of the Companies Act of Japan, as applied pursuant to Article 165, Paragraph 3 of the said Act.

(1) Reason for repurchase of own shares

To enhance the return of profits to shareholders and improve capital efficiency as well as to enable the Company to implement a more flexible capital policy going forward.

(2) Matters regarding the repurchase

(i) Class of shares to be repurchased: Common stock of the Company

(ii) Number of shares to be repurchased: Up to 160,000 shares

(1.54% of the total number shares outstanding, excluding treasury shares)

(iii) Total value of shares to be repurchased: Up to 190,880 thousand yen

(iv) Date of repurchase: February 6, 2024

(v) Method of share repurchase: Repurchase through an off-auction own share repurchase transaction in the Tokyo Stock Exchange (ToSTNeT-3)

2. Supplementary Information

Status of production, orders received and sales activities

The following are the number of franchised brokerage offices by geographic area and operating revenue by revenue type and geographic area for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022).

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Openings	14	17	8	3	5	47
Closures (Cancellations)	14	19	2	2	2	39
Number of offices at third quarter-end	455	347	93	74	30	999
YoY change (%)	100.2	99.1	106.9	101.4	111.1	100.8

(Thousands of yen)

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Service fee revenue	1,342,677	732,349	154,973	112,540	42,084	2,384,626
YoY change (%)	101.8	104.1	99.7	98.4	128.5	102.6
IT service revenue	231,899	–	–	–	–	231,899
YoY change (%)	87.3	–	–	–	–	87.3
Franchise fee revenue	55,102	40,855	13,582	6,565	3,897	120,002
YoY change (%)	69.3	84.9	78.3	74.3	136.9	76.6
Other	57,014	–	23	–	–	57,038
YoY change (%)	102.3	–	22.6	–	–	99.0
Total operating revenue	1,686,692	773,204	168,580	119,105	45,982	2,793,566
YoY change (%)	98.1	102.7	97.5	96.4	129.1	99.6

Note: The table below shows the total value and number of transactions executed and total commission income earned by the franchised brokerage offices, which correspond to the above service fee revenue for the same period. The figures are further broken down by geographic area where the brokerage offices operate.

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Total value of transactions (Thousands of yen)	333,592,140	194,457,944	40,347,419	27,824,223	12,124,977	608,346,706
Total number of transactions	264,690	37,315	9,970	12,345	2,508	326,828
Total commission income (Thousands of yen)	22,151,297	11,894,103	2,446,376	1,788,618	680,279	38,960,674

The following are the number of franchised brokerage offices by geographic area and operating revenue by revenue type and geographic area for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023).

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Openings	10	5	3	5	4	27
Closures (Cancellations)	30	20	3	0	2	55
Number of offices at third quarter-end	442	323	97	84	34	980
YoY change (%)	97.1	93.1	104.3	113.5	113.3	98.1

(Thousands of yen)

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Service fee revenue	1,349,353	759,064	183,109	130,279	44,289	2,466,097
YoY change (%)	100.5	103.6	118.2	115.8	105.2	103.4
IT service revenue	234,581	–	–	–	–	234,581
YoY change (%)	101.2	–	–	–	–	101.2
Franchise fee revenue	58,267	36,324	13,042	6,972	4,546	119,154
YoY change (%)	105.7	88.9	96.0	106.2	116.7	99.3
Other	51,130	–	–	–	–	51,130
YoY change (%)	89.7	–	–	–	–	89.6
Total operating revenue	1,693,333	795,389	196,152	137,252	48,836	2,870,963
YoY change (%)	100.4	102.9	116.4	115.2	106.2	102.8

Note: The table below shows the total value and number of transactions executed and total commission income earned by the franchised brokerage offices, which correspond to the above service fee revenue for the same period. The figures are further broken down by geographic area where the brokerage offices operate.

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Total value of transactions (Thousands of yen)	330,887,631	203,598,726	50,663,425	31,389,068	12,267,608	628,806,461
Total number of transactions	266,938	34,778	10,243	11,375	3,818	327,152
Total commission income (Thousands of yen)	22,180,743	12,464,472	2,931,563	2,071,876	720,124	40,368,781