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October 31, 2023

## Non-Consolidated Financial Results for the Six Months Ended September 30, 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  
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 Scheduled date to file Quarterly Securities Report: November 13, 2023  
 Scheduled date to commence dividend payments: December 1, 2023  
 Preparation of supplementary materials on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for analysts, institutional investors and media)

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

### 1. Financial Results for the Six Months Ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(1) Operating results (Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Net income	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	1,877	1.9	481	13.2	501	12.2	335	10.9
September 30, 2022	1,842	(0.8)	425	(19.3)	446	(19.0)	302	(29.4)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	32.21	—
September 30, 2022	29.06	—

### (2) Financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	7,567	6,426	84.9
March 31, 2023	7,726	6,312	81.7

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

As of September 30, 2023: ¥6,426 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 September 30, 2023:	11,325,000 shares
As of March 31, 2023:	11,325,000 shares

2) Number of treasury shares:

As of September 30, 2023:	902,642 shares
As of March 31, 2023:	902,642 shares

3) Average number of shares outstanding:

Six months ended September 30, 2023:	10,422,358 shares
Six months ended September 30, 2022:	10,422,380 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

1. 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.

2. The Company will hold a webcast financial results briefing for analysts, institutional investors and media on Wednesday, November 8, 2023 (available in Japanese only). The materials to be distributed in the briefing will be posted on the Company's website after the briefing.

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# 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 September 30, 2023)
<b>Assets</b>		
Current assets:		
Cash and deposits	1,900,277	1,930,829
Trade accounts receivable	501,235	358,184
Securities	3,200,000	3,200,000
Other	78,039	142,504
Allowance for doubtful accounts	(48,514)	(31,482)
Total current assets	5,631,038	5,600,036
Non-current assets:		
Property, plant and equipment	123,638	116,380
Intangible assets:		
Software	742,024	629,519
Other	6,298	18,814
Total intangible assets	748,323	648,334
Investments and other assets:		
Investment securities	791,250	847,500
Other	468,216	418,984
Allowance for doubtful accounts	(35,854)	(63,893)
Total investments and other assets	1,223,611	1,202,590
Total non-current assets	2,095,574	1,967,305
Total assets	7,726,613	7,567,341
<b>Liabilities</b>		
Current liabilities:		
Trade accounts payable	159,770	141,089
Income taxes payable	203,471	173,829
Provision for bonuses	87,010	80,500
Other	786,265	579,421
Total current liabilities	1,236,517	974,840
Non-current liabilities:		
Provision for retirement benefits	147,707	136,736
Provision for renovation warranties	27,839	27,013
Asset retirement obligations	2,400	2,400
Total non-current liabilities	177,946	166,149
Total liabilities	1,414,464	1,140,989
<b>Net assets</b>		
Shareholders' equity:		
Share capital	517,750	517,750
Capital surplus	168,570	168,570
Retained earnings	6,059,605	6,134,782
Treasury shares	(698,873)	(698,873)
Total shareholders' equity	6,047,052	6,122,228
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	265,097	304,123
Total valuation and translation adjustments	265,097	304,123
Total net assets	6,312,149	6,426,352
Total liabilities and net assets	7,726,613	7,567,341

## (2) Quarterly statement of income

	(Thousands of yen)	
	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Operating revenue	1,842,863	1,877,944
Operating costs	471,780	456,073
Operating gross profit	1,371,082	1,421,870
Selling, general and administrative expenses	945,693	940,289
Operating profit	425,389	481,581
Non-operating income:		
Interest income	235	285
Dividend income	15,622	14,625
Administrative service fee income	5,216	3,832
Compensation for delay damages	1,949	274
Other	1,708	1,863
Total non-operating income	24,731	20,880
Non-operating expenses:		
Interest expenses	25	7
Foreign exchange losses	3,739	1,424
Total non-operating expenses	3,764	1,432
Ordinary profit	446,357	501,030
Extraordinary losses:		
Loss on retirement of property, plant and equipment	1,592	—
Total extraordinary losses	1,592	—
Profit before income taxes	444,764	501,030
Income taxes	141,906	165,294
Net income	302,858	335,735

## (3) Quarterly statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)	Six months ended September 30, 2023 (From April 1, 2023 to September 30, 2023)
Cash flows from operating activities		
Profit before income taxes	444,764	501,030
Depreciation	130,776	124,896
Increase (decrease) in provision for bonuses	(300)	(6,510)
Increase (decrease) in provision for retirement benefits	4,803	(10,971)
Increase (decrease) in provision for renovation warranties	(267)	(826)
Increase (decrease) in allowance for doubtful accounts	(2,541)	11,007
Interest and dividend income	(15,857)	(14,910)
Interest expenses	25	7
Loss on retirement of property, plant and equipment	1,592	–
Decrease (increase) in trade receivables	52,902	115,012
Increase (decrease) in trade payables	(15,017)	(18,680)
Other, net	58,650	(188,855)
Subtotal	659,530	511,200
Interest and dividends received	15,640	15,874
Interest paid	(25)	(7)
Income taxes paid	(10,859)	(192,617)
Net cash provided by (used in) operating activities	664,287	334,449
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,704)	(2,114)
Purchase of intangible assets	(61,443)	(40,002)
Payments of guarantee deposits	(1,734)	(468)
Proceeds from refund of guarantee deposits	723	264
Other, net	(1,118)	(753)
Net cash provided by (used in) investing activities	(65,277)	(43,073)
Cash flows from financing activities		
Repayments of lease obligations	(642)	(659)
Purchase of treasury shares	(46)	–
Dividends paid	(208,371)	(260,163)
Net cash provided by (used in) financing activities	(209,059)	(260,822)
Net increase (decrease) in cash and cash equivalents	389,950	30,552
Cash and cash equivalents at beginning of period	1,550,437	1,900,277
Cash and cash equivalents at end of period	1,940,387	1,930,829

(4) 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.

## 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 first half of the previous fiscal year (from April 1, 2022 to September 30, 2022).

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Openings	6	12	6	3	1	28
Closures (Cancellations)	9	13	2	1	1	26
Number of offices at second quarter-end	452	348	91	75	27	993
YoY change (%)	100.4	98.0	101.1	100.0	103.8	99.7

(Thousands of yen)

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Service fee revenue	891,011	479,027	103,179	71,333	25,008	1,569,560
YoY change (%)	100.6	103.9	101.8	97.9	127.1	101.9
IT service revenue	154,983	—	—	—	—	154,983
YoY change (%)	88.3	—	—	—	—	88.3
Franchise fee revenue	36,100	27,929	9,761	4,342	1,790	79,924
YoY change (%)	68.2	85.0	97.8	77.6	88.3	77.3
Other	38,390	—	4	—	—	38,394
YoY change (%)	102.5	—	4.0	—	—	97.6
Total operating revenue	1,120,485	506,957	112,944	75,676	26,798	1,842,863
YoY change (%)	97.3	102.4	101.3	96.1	123.5	99.2

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)	221,757,606	130,751,521	26,735,815	17,547,954	6,952,167	403,745,065
Total number of transactions	174,510	24,635	6,527	8,195	1,599	215,466
Total commission income (Thousands of yen)	14,757,203	7,802,074	1,621,287	1,127,695	402,623	25,710,884



The following are the number of franchised brokerage offices by geographic area and operating revenue by revenue type and geographic area for the first half of the current fiscal year (from April 1, 2023 to September 30, 2023).

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Openings	7	4	1	3	2	17
Closures (Cancellations)	23	19	1	0	2	45
Number of offices at second quarter-end	446	323	97	82	32	980
YoY change (%)	98.7	92.8	106.6	109.3	118.5	98.7

(Thousands of yen)

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Service fee revenue	883,601	497,863	114,614	75,284	27,141	1,598,505
YoY change (%)	99.2	103.9	111.1	105.5	108.5	101.8
IT service revenue	157,799	–	–	–	–	157,799
YoY change (%)	101.8	–	–	–	–	101.8
Franchise fee revenue	43,315	24,886	9,220	4,541	3,427	85,391
YoY change (%)	120.0	89.1	94.5	104.6	191.5	106.8
Other	36,248	–	–	–	–	36,248
YoY change (%)	94.4	–	–	–	–	94.4
Total operating revenue	1,120,963	522,750	123,835	79,826	30,568	1,877,944
YoY change (%)	100.0	103.1	109.6	105.5	114.1	101.9

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)	219,300,868	132,181,184	31,502,955	17,645,555	7,334,979	407,965,542
Total number of transactions	178,380	23,394	6,708	7,663	2,387	218,532
Total commission income (Thousands of yen)	14,529,180	8,154,203	1,832,014	1,190,394	434,049	26,139,842