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July 30, 2024

Non-Consolidated Financial Results for the Three Months Ended June 30, 2024 (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 commence dividend payments: –
 Preparation of supplementary materials on financial results: No
 Holding of financial results briefing: No

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

1. Financial Results for the Three Months Ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

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

	Operating revenue		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	1,028	9.1	309	27.4	312	27.7	214	32.9
June 30, 2023	942	1.0	243	13.8	244	12.4	161	9.5

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	20.89	–
June 30, 2023	15.48	–

(2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	7,425	6,303	84.9
March 31, 2024	7,641	6,356	83.2

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

As of June 30, 2024: ¥6,303 million

As of March 31, 2024: ¥6,356 million

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year Ended March 31, 2024	–	20.00	–	25.00	45.00
Ending March 31, 2025	–				
Fiscal year Ending March 31, 2025 (forecast)		20.00	–	25.00	45.00

Note: Revisions to dividend forecast published most recently: None

3. Earnings Forecast for the Fiscal Year Ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year	3,982	3.4	977	4.4	1,021	3.6	700	3.8	68.21

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 June 30, 2024:	11,325,000 shares
As of March 31, 2024:	11,325,000 shares

2) Number of treasury shares:

As of June 30, 2024:	1,062,948 shares
As of March 31, 2024:	1,062,875 shares

3) Average number of shares outstanding:

Three months ended June 30, 2024:	10,262,078 shares
Three months ended June 30, 2023:	10,422,358 shares

* Review of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm:
None

* 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.

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1. Quarterly Financial Statements and Notes

(1) Quarterly balance sheet

(Thousands of yen)

	Previous fiscal year (As of March 31, 2024)	Current quarter (As of June 30, 2024)
Assets		
Current assets:		
Cash and deposits	2,137,938	1,554,077
Trade accounts receivable	451,067	383,740
Securities	3,200,000	3,700,000
Other	73,367	101,495
Allowance for doubtful accounts	(31,805)	(32,553)
Total current assets	5,830,567	5,706,760
Non-current assets:		
Property, plant and equipment	115,187	109,124
Intangible assets:		
Software	546,714	526,715
Other	27,123	8,022
Total intangible assets	573,838	534,738
Investments and other assets:		
Investment securities	835,000	818,750
Other	350,112	319,312
Allowance for doubtful accounts	(63,457)	(62,738)
Total investments and other assets	1,121,654	1,075,324
Total non-current assets	1,810,680	1,719,187
Total assets	7,641,247	7,425,947
Liabilities		
Current liabilities:		
Trade accounts payable	174,216	150,715
Income taxes payable	166,298	105,148
Provision for bonuses	78,000	48,825
Other	690,907	646,629
Total current liabilities	1,109,422	951,317
Non-current liabilities:		
Provision for retirement benefits	147,000	143,802
Provision for renovation warranties	25,583	25,122
Asset retirement obligations	2,400	2,400
Total non-current liabilities	174,983	171,324
Total liabilities	1,284,406	1,122,642
Net assets		
Shareholders' equity:		
Share capital	517,750	517,750
Capital surplus	168,570	168,570
Retained earnings	6,265,084	6,222,903
Treasury shares	(890,013)	(890,094)
Total shareholders' equity	6,061,390	6,019,128
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	295,450	284,176
Total valuation and translation adjustments	295,450	284,176
Total net assets	6,356,841	6,303,305
Total liabilities and net assets	7,641,247	7,425,947

(2) Quarterly statement of income

	(Thousands of yen)	
	Three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Operating revenue	942,534	1,028,726
Operating costs	224,329	243,028
Operating gross profit	718,204	785,698
Selling, general and administrative expenses	475,202	476,112
Operating profit	243,002	309,585
Non-operating income:		
Interest income	141	245
Administrative service fee income	1,950	1,938
Compensation for delay damages	3	148
Other	807	837
Total non-operating income	2,903	3,169
Non-operating expenses:		
Interest expenses	5	—
Foreign exchange losses	1,364	379
Total non-operating expenses	1,369	379
Ordinary profit	244,535	312,375
Profit before income taxes	244,535	312,375
Income taxes	83,216	98,004
Net income	161,319	214,371

(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.

(Segment information)

The Company does not provide segment information because it has only a single business segment, which is the real estate franchise business.

(Statement of cash flows)

The Company has not prepared the quarterly statement of cash flows for the three months ended June 30, 2024. The depreciation (including amortization of intangible assets) for the three months ended June 30, 2024 is as follows.

	(Thousands of yen)	
	Three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Depreciation	63,236	64,565

(Material subsequent events)

Not applicable

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 quarter of the previous fiscal year (from April 1, 2023 to June 30, 2023).

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Openings	3	2	0	0	0	5
Closures (Cancellations)	15	8	1	0	2	26
Number of offices at first quarter-end	450	332	96	79	30	987
YoY change (%)	98.9	96.2	107.9	106.8	107.1	99.6

(Thousands of yen)

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Service fee revenue	444,261	243,997	56,439	37,437	14,783	796,919
YoY change (%)	97.6	100.7	117.0	105.5	118.7	100.4
IT service revenue	79,341	–	–	–	–	79,341
YoY change (%)	101.1	–	–	–	–	101.1
Franchise fee revenue	23,743	12,291	5,290	2,207	2,449	45,982
YoY change (%)	130.9	80.3	149.5	99.6	277.6	114.7
Other	20,290	–	–	–	–	20,290
YoY change (%)	99.1	–	–	–	–	99.1
Total operating revenue	567,636	256,289	61,729	39,645	17,233	942,534
YoY change (%)	99.2	99.5	119.2	105.1	129.2	101.0

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)	109,935,484	63,428,531	14,906,898	8,321,705	3,762,299	200,354,919
Total number of transactions	89,290	11,782	3,374	3,922	1,156	109,524
Total commission income (Thousands of yen)	7,317,718	4,001,319	898,725	594,127	228,899	13,040,790

The following are the number of franchised brokerage offices by geographic area and operating revenue by revenue type and geographic area for the first quarter of the current fiscal year (from April 1, 2024 to June 30, 2024).

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Openings	2	3	3	2	1	11
Closures (Cancellations)	6	2	2	1	0	11
Number of offices at first quarter-end	441	326	100	89	38	994
YoY change (%)	98.0	98.2	104.2	112.7	126.7	100.7

(Thousands of yen)

	Greater Tokyo	Kansai	Chubu	Kyushu	Hokkaido	Total
Service fee revenue	506,570	256,062	59,400	54,393	17,774	894,201
YoY change (%)	114.0	104.9	105.2	145.3	120.2	112.2
IT service revenue	78,348	–	–	–	–	78,348
YoY change (%)	98.7	–	–	–	–	98.7
Franchise fee revenue	14,950	13,084	3,725	2,499	1,355	35,614
YoY change (%)	63.0	106.4	70.4	113.2	55.3	77.5
Other	20,563	–	–	–	–	20,563
YoY change (%)	101.3	–	–	–	–	101.3
Total operating revenue	620,432	269,146	63,125	56,893	19,129	1,028,726
YoY change (%)	109.3	105.0	102.3	143.5	111.0	109.1

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)	117,028,301	67,666,798	15,342,544	12,472,586	4,999,561	217,509,791
Total number of transactions	90,969	14,079	3,583	4,171	1,501	114,303
Total commission income (Thousands of yen)	8,364,983	4,178,255	940,251	873,058	287,066	14,643,614