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January 31, 2025

Non-Consolidated Financial Results for the Nine Months Ended December 31, 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
 Contact: Noriyuki Tamura, Executive Officer, General Manager of Corporate Management Division
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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 Nine Months Ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(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, 2024 | 3,048 | 6.2 | 905 | 17.6 | 990 | 24.4 | 678 | 26.5 |
| December 31, 2023 | 2,870 | 2.8 | 770 | 12.9 | 796 | 11.9 | 536 | 11.0 |

| | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Nine Months ended | Yen | Yen |
| December 31, 2024 | 66.15 | – |
| December 31, 2023 | 51.48 | – |

(2) Financial position

| | Total assets | Net assets | Equity ratio |
|-------------------|-----------------|-----------------|--------------|
| As of | Millions of yen | Millions of yen | % |
| December 31, 2024 | 7,645 | 6,501 | 85.0 |
| March 31, 2024 | 7,641 | 6,356 | 83.2 |

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

As of December 31, 2024: ¥6,501 million

As of March 31, 2024: ¥6,356 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, 2024 | – | 20.00 | – | 25.00 | 45.00 |
| Ending March 31, 2025 | – | 20.00 | – | | |
| Fiscal year | | | | 25.00 | 45.00 |
| Ending March 31, 2025 (forecast) | | | | | |

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 |
|-------------|-------------------|-----|------------------|-----|-----------------|------|-----------------|------|--------------------------|
| Fiscal year | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| | 3,982 | 3.4 | 997 | 6.5 | 1,099 | 11.5 | 750 | 11.3 | 73.09 |

Note: Revisions to earnings forecast published most recently: Yes

For details of the revision to the earnings forecast, please refer to "Notice of Revision to the Earnings Forecast for the Fiscal Year Ending March 31, 2025" released today (January 31, 2025).

*** Notes**

(1) Application of accounting methods used specifically for preparing the semi-annual 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, 2024: | 11,325,000 shares |
| As of March 31, 2024: | 11,325,000 shares |

2) Number of treasury shares:

| | |
|--------------------------|------------------|
| As of December 31, 2024: | 1,063,015 shares |
| As of March 31, 2024: | 1,062,875 shares |

3) Average number of shares outstanding:

| | |
|--------------------------------------|-------------------|
| Nine Months ended December 31, 2024: | 10,262,041 shares |
| Nine Months ended December 31, 2023: | 10,422,344 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 December 31, 2024) |
|---|--|--|
| Assets | | |
| Current assets: | | |
| Cash and deposits | 2,137,938 | 913,457 |
| Trade accounts receivable | 451,067 | 408,962 |
| Securities | 3,200,000 | 4,600,000 |
| Other | 73,367 | 208,434 |
| Allowance for doubtful accounts | (31,805) | (36,997) |
| Total current assets | 5,830,567 | 6,093,856 |
| Non-current assets: | | |
| Property, plant and equipment | 115,187 | 120,447 |
| Intangible assets: | | |
| Software | 546,714 | 445,472 |
| Other | 27,123 | 8,174 |
| Total intangible assets | 573,838 | 453,646 |
| Investments and other assets: | | |
| Investment securities | 835,000 | 731,000 |
| Other | 350,112 | 306,191 |
| Allowance for doubtful accounts | (63,457) | (59,372) |
| Total investments and other assets | 1,121,654 | 977,818 |
| Total non-current assets | 1,810,680 | 1,551,912 |
| Total assets | 7,641,247 | 7,645,769 |
| Liabilities | | |
| Current liabilities: | | |
| Trade accounts payable | 174,216 | 160,498 |
| Income taxes payable | 166,298 | 175,029 |
| Provision for bonuses | 78,000 | 40,500 |
| Other | 690,907 | 587,953 |
| Total current liabilities | 1,109,422 | 963,981 |
| Non-current liabilities: | | |
| Provision for retirement benefits | 147,000 | 152,866 |
| Provision for renovation warranties | 25,583 | 24,938 |
| Asset retirement obligations | 2,400 | 2,400 |
| Total non-current liabilities | 174,983 | 180,204 |
| Total liabilities | 1,284,406 | 1,144,185 |
| Net assets | | |
| Shareholders' equity: | | |
| Share capital | 517,750 | 517,750 |
| Capital surplus | 168,570 | 168,570 |
| Retained earnings | 6,265,084 | 6,482,136 |
| Treasury shares | (890,013) | (890,168) |
| Total shareholders' equity | 6,061,390 | 6,278,288 |
| Valuation and translation adjustments: | | |
| Valuation difference on available-for-sale securities | 295,450 | 223,295 |
| Total valuation and translation adjustments | 295,450 | 223,295 |
| Total net assets | 6,356,841 | 6,501,583 |
| Total liabilities and net assets | 7,641,247 | 7,645,769 |

(2) Quarterly statement of income

| | (Thousands of yen) | |
|--|--|--|
| | Nine Months ended December 31, 2023 (From April 1, 2023 to December 31, 2023) | Nine Months ended December 31, 2024 (From April 1, 2024 to December 31, 2024) |
| Operating revenue | 2,870,963 | 3,048,195 |
| Operating costs | 701,221 | 721,306 |
| Operating gross profit | 2,169,742 | 2,326,888 |
| Selling, general and administrative expenses | 1,399,360 | 1,420,946 |
| Operating profit | 770,382 | 905,942 |
| Non-operating income: | | |
| Interest income | 428 | 2,174 |
| Dividend income | 14,625 | 14,812 |
| Administrative service fee income | 8,598 | 8,763 |
| Compensation for delay damages | 308 | 767 |
| Foreign exchange gains | – | 992 |
| Compensation income | – | 54,740 |
| Other | 2,520 | 2,248 |
| Total non-operating income | 26,480 | 84,498 |
| Non-operating expenses: | | |
| Interest expenses | 8 | – |
| Foreign exchange losses | 540 | – |
| Other | 0 | 0 |
| Total non-operating expenses | 548 | 0 |
| Ordinary profit | 796,314 | 990,441 |
| Profit before income taxes | 796,314 | 990,441 |
| Income taxes | 259,786 | 311,595 |
| Net income | 536,528 | 678,845 |

(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)

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 nine months ended December 31, 2024. The amounts of depreciation (including amortization of intangible assets) for the nine months ended and December 31, 2023 and December 31, 2024 are as follows.

| | (Thousands of yen) | |
|--------------|--|--|
| | Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023) | Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024) |
| Depreciation | 186,429 | 197,286 |

(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 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 |

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, 2024 (from April 1, 2024 to December 31, 2024).

| | Greater Tokyo | Kansai | Chubu | Kyushu | Hokkaido | Total |
|--|---------------|--------|-------|--------|----------|-------|
| Openings | 5 | 9 | 6 | 3 | 2 | 25 |
| Closures (Cancellations) | 33 | 10 | 8 | 3 | 1 | 55 |
| Number of offices at third quarter-end | 417 | 324 | 98 | 87 | 38 | 964 |
| YoY change (%) | 94.3 | 100.3 | 101.0 | 103.6 | 111.8 | 98.4 |

(Thousands of yen)

| | Greater Tokyo | Kansai | Chubu | Kyushu | Hokkaido | Total |
|-------------------------|---------------|---------|---------|---------|----------|-----------|
| Service fee revenue | 1,458,499 | 797,423 | 183,884 | 154,846 | 55,400 | 2,650,055 |
| YoY change (%) | 108.1 | 105.1 | 100.4 | 118.9 | 125.1 | 107.5 |
| IT service revenue | 242,474 | – | – | – | – | 242,474 |
| YoY change (%) | 103.4 | – | – | – | – | 103.4 |
| Franchise fee revenue | 45,548 | 35,902 | 11,805 | 7,513 | 4,150 | 104,919 |
| YoY change (%) | 78.2 | 98.8 | 90.5 | 107.8 | 91.3 | 88.1 |
| Other | 50,744 | – | – | – | – | 50,744 |
| YoY change (%) | 99.2 | – | – | – | – | 99.2 |
| Total operating revenue | 1,797,267 | 833,326 | 195,690 | 162,360 | 59,550 | 3,048,195 |
| YoY change (%) | 106.1 | 104.8 | 99.8 | 118.3 | 121.9 | 106.2 |

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) | 344,306,699 | 211,060,696 | 50,690,286 | 36,774,300 | 15,148,503 | 657,980,486 |
| Total number of transactions | 270,295 | 42,193 | 10,968 | 12,150 | 4,328 | 339,934 |
| Total commission income (Thousands of yen) | 24,053,445 | 13,263,547 | 2,967,737 | 2,452,415 | 885,785 | 43,622,931 |